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STUDY OF STATE PUBLIC SECTOR UNDERTAKINGS (SPSUs) AND STATE ROAD TRANSPORT UNDERTAKINGS (SRTUs)

PART II

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PART-II
STATE ROAD TRANSPORT UNDERTAKINGS

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SECTION A
EXECUTIVE SUMMARY

A.1
BRIEF ON STATES

The Terms of Reference (TOR) of the project "Viability of the State Road Transport Undertakings (SRTUs) and other State Public Sector Undertakings (SPSUs)" stipulate that the study is supposed to address the following aspects:

- Impact of the SRTU on the budget of each of the State Governments.
- Assessment of the reasonable expenditure that the State Government would be required to incur on this sector.
- Assessment of the commercial viability of the SRTU.
- Options available to make the SRTUs commercially viable (disinvestments/ privatisation, increase/decrease in the user charges or fares).

Below are the findings of our study in respect of each of the States. On the basis of projected figures of Net Flows from the State Budget to the SRTUs (NF_{state}), the SRTUs can be classified into two categories A and B. In category A are the undertakings in which the net flow is from the SRTUs to the State. It means that they contribute to the state, howsoever little. Most of these are in losses and therefore a burden on themselves. Yet they seem to be able to turn around with a little help from the state. In category B are the undertakings in which the net flow is from the State to the SRTUs. They are thus a burden on themselves as well as on the state. Two things are to be noted in this context. One, passenger tax in our reckoning is not flow from the corporation to the state as the former only collect it on behalf of the state. Two, burden borne by the corporations with regard to concessions may be deemed to a flow from the corporation to the state as the former follows the instructions of the latter. Further, inter-undertaking differences have been overlooked in the case of Tamil Nadu where undertakings are too many to consider separately.

Category A - SRTUs included in this category are APRSTC, APRST, STHAR, KnRTC, NWKRTC, BMTC, KSRTC, MPRTC, MSRTC, PRTC, RSRTC, TNSTC, and UPSRTC.

Category B - SRTUs included in this category are ASTC, BSRTC, KDTC, GSRTC, HRTC, MEGTC, NGST, OSRTC, TRPRTC, and KSTC. It may be noted that except for MEGTC and MPRSRTC. Burden on the state is increasing over time.

A.1.1: Andhra Pradesh

It is clear that the APRSTC is not proving to be a burden on the State Budget of Andhra Pradesh though it is incurring losses. Moreover, it is providing more to the State Government than it receives. Despite the accumulated losses of about Rs.1000 crore, the APRSTC is in a much better shape as the capital invested, capital employed and net worth of the corporation are all positive. This is the solid base for possibility of turning it around. Furthermore, the main reason for this huge accumulated loss is that the corporation has not been reimbursed completely (now only 50 percent) for the burden due to concessions. So, if the Government fully reimburses for the past for the past as well there would be no accumulated losses. Current losses are in the vicinity of un-reimbursed concessional burden. The fares are also revised periodically after 1997, to maintain the revenue flows in the wake of rising costs. In fact the fare revisions are not drastic enough, as we can see from the latest one on

03.02.2003, where in spite of the marginal rise in fares, the occupancy increased, though only to a certain extent. So, on the whole we can say that the APRSTC is doing fine and is in the process of turning around in the near future. The State Government of Andhra Pradesh is not required to incur much expenditure, apart from providing full reimbursement for the burden of concessional travel, so that the process of recovery of the SRTU is hastened. The Corporation thinks that there is a case for downward revision of fares so as to improve the occupancy ratio and compete with short-distance small vehicles and long-distance contract vehicles. However, they should devise a strategy whereby they do not compete with small vehicles for short distances. The state should check the clandestine stage operations of the contract carriages.

A.1.2: Arunachal Pradesh

From the available data up to 1996-97, we find that APRST is receiving more from the state exchequer though it has been showing a downward trend. Occasionally, the state might be on balance found to have accrued positive sum, as in 1996-97. However the forecasted figure of the net flows to the SRTU is negative, which implies that the SRTU is providing support to the state of about Rs.9 crore. This may not seem to be plausible, as all the other SRTUs in the north-eastern states are a burden on the state and it is unlikely that the APRST with a fleet of only about 100 buses will be any different. In fact they were doing well, our surmise is, the data would have been made available.

At the same time it should also be borne in mind that the SRTU is stipulated to pay the interest and non-passenger taxes to the state. So, even if the projected figure shows that the SRTU is providing more to the state, it does not mean that the SRTU is commercially viable. So from a rational perspective, it does not seem prudent to continue with the Arunachal Pradesh State Transport. The APRST has been a loss making SRTU, with cost recovery ratio less than 50 percent. Not only that the operational performance of the APRST is far from satisfactory. The APRST owns about 100 buses, fleet utilization is below 80 percent and the occupancy ratio is below 50 percent. With the employee strength of about 1000, the bus staff ratio is quite high. Moreover, fuel efficiency is deteriorating over the years, entailing more material costs; presently it is just 3 kilometre per litre. So instead of running a separate transport department in the state, what would be advisable is to have a single transport undertaking for the whole of the northeast.

A.1.3: Assam

It can be safely said that the corporation would not be able to give the desired service to the public unless it is first made viable. It is maintained that this corporation is becoming a burden on itself, with the projected Net Flows from the State Budget to the ASMSTC (NF_{state}) is more than Rs.20 crores over the next five years, 2004-05 to 2009-10. The operation of the corporation was characterized by high staff cost, low fleet utilization, low vehicle productivity and inadequate emphasis on bus checking. These factors have financially crippled the corporation and reduced its operating capacity. Consequently, the corporation is dependent on government assistance.

However, things seem to be turning around for the corporation with the change in the State Government. The initiatives taken by the present Government are already showing results. The corporation is now operating private buses under its wings along with its own buses, in order to make proper use of the infrastructure held by it (proper allocation of resources) as well to earn income for itself. By making its stands, depots, windows, etc. it is decongesting roads in the cities, making passengers be safe.

The overstaffing problem has recently been properly dealt with (thereby reducing the costs to a great extent), with the implementation of the VRS and active support from the Planning Commission with a grant of about Rs.66 crores. The capital invested and capital employed are now both positive, and the gap between the revenue and costs is also falling. So at the present juncture, even if the corporation is dependent on the State Government, there are enough positive indicators noted above, to bring about a turnaround in the corporation. Thus the option for disinvestment/ privatisation can be put on hold for the time being.

Regarding the expenditure that the State Government would be required to incur on this sector, some major initiative is required from the State Government of Assam to clear the outstanding dues to the employees of ASMSTC—present and retired, and to different firms who supplied materials to the corporation. At present, the outstanding dues amount to Rs.150 crores. Not only that, the corporation has a statutory liability of about Rs.65 crores to its employees, i.e., Contributory Provident Fund (CPF) dues to the employees deducted from their salaries and the corporation's contribution which was not invested.

A.1.4: Bihar

The corporation has failed to achieve its basic objective of providing an efficient, adequate, economical and properly coordinated system of road transport service in the state due to its poor operational performance, continous losses and serious financial mismanagement.

According to available data the net flow to the BSRTC by State Government of Bihar in most years is significantly higher than the total receipts of the state from this corporation. The projected figures of the net flows from the state exchequer over the next five years i.e. 2004-05 to 2009-10 will become almost Rs.7 crores. So the BSRTC is proving to be a burden for the state exchequer.

We already know the state is in a poor financial situation. As the burden towards the BSRTC is high, it is not possible for the State Government to undertake major financial assistance to help the corporation to turnaround. Moreover every part of the state is already well connected by the railways; thus privatizing this sector would not pose much of a problem regarding communication for the people of the state. Private sector and the railways, let us hope, will take care of the passengers. In any case the BSRTC is not a significant player in passenger transport.

A.1.5: Goa

The company may not be a burden at the moment as the data show but with ever mounting current liabilities—becoming equal to long-terms liabilities, more than one-third of the revenue, it will be difficult to turn it around. However, if we observe the projected Net Flows from the State Budget of Goa to the KDTC (NF_{state}), it is found to be about Rs.4-7 crores. So it clearly suggests that the corporation would become a burden over the next five years, 2004-05 to 2009-10.

But even if it restructured by provision of capital grant of equivalent sum by the State Government of Goa, the issue of declining occupancy does remain a concern. To break even, 75 percent occupancy ratio is to be achieved, which at present is only 55 percent. Non-traffic revenue, it can be believed, is coming from non-traffic commercial activities rather than from traffic revenue. It is already about 25 percent of the total revenue. There is little scope in its further increase and the cost of incremental efforts would be more than the financial gains. So

is the case with reducing bus-staff ratio. So the only hope is increase in occupancy ratio. Ways to do it have to be devised.

As far as closing it down is concerned and handing it over to the private parties, it will entail unemployment of about 2000 persons. In a state where unemployment is pretty high, despite high per capita income, it would not be a good step. Privatisation, without additional cost to the state exchequer and without retrenchment of employees or lowering of wages, could be considered.

A.1.6: Gujarat

The GSRTC has been a loss-making corporation throughout the nineties, though the overall operational performance of the GSRTC is quite satisfactory. But in recent years the net margin of the corporation has decreased to Rs. 188 crore, which is almost the same as passenger tax paid by the corporation to the state government. Moreover the state has been reimbursing the burden due to concessional travel only recently. Therefore the loss of revenue in the early years has resulted in huge accumulated losses to the tune of over Rs.1000 crore. Nevertheless this made the corporation a burden on the state but only to a certain extent. In fact the projected Net Flows from the State Budget to the GSRTC over the next five years is just above Rs.12 crore.

However in the recent past the state has been reimbursing the burden due to concessional travel completely and as such the commercial viability of the corporation is looking up. Also capital invested, capital employed and net worth of the corporation are all positive, so there is every possibility that the GSRTC will turn around in the future. But the major thrust must be given to improve the occupancy ratio so that the corporation becomes commercially viable.

Offering VRS to the employees can be an option, as this will greatly reduce the personnel cost. In this regard, the government has already undertaking necessary steps and at the same time fresh recruitment has almost stopped. Privatisation is another option but it would not fulfill the objective of social welfare. Buses of the GSRTC connect almost all towns and villages of Gujarat. But if we privatize this sector then the private operators operate their buses on the profit making routes only and passenger of uneconomic routes would face difficulties.

A.1.7: Haryana

The STHAR has been a loss making undertaking for quite a few years. But in the recent years, the loss started declining a bit. But loss is much higher than the contribution it makes to the state but much lower than the passenger tax it collects for the state. Thus the loss can be made up if full compensation is accorded to the undertaking. Including passenger tax, the net flow from the undertaking to the state would be Rs.70-150 crore. The projected net flows over the over the next five years, 2004-05 to 2009-10 comes to about Rs.250 crore. Hence, it can be safely concluded that, under no circumstances can the STHAR be considered a burden on the State Finances of Haryana but it is shown as a burden on itself.

As far as this undertaking is concern it is a clear case of absorption of passenger tax in the fare so that fare rises in a manner that occupancy does not get affected. Occupancy compared to other undertaking is pretty good. There may be a little scope for raising fare but that will help the private operators who will make better collection. Still occupancy ratio needs be improved by improving quality of service, by better scheduling of routes and timings and if necessary by rolling back fares. Occupancy ratio should improve—primarily for raising revenue.

There is some scope even in raising non-traffic revenue, which is not very high in this undertaking, only 3-7 percent of the total revenue. The undertaking should be strengthened for more than one reason. One of them is that it has a huge fleet size, accounting for more than 60-65 percent of total bus fleet in the state. As far is govt. expenditure is concerned there is hardly any involvement required apart from the full compensation of passenger tax as the SRTU collects it on behalf of the State Government. However to improve the commercial viability of STHAR the govt. con help it by compensating the burden due to concessional travel, which is about Rs.30-40 crore. But this is notional between two wings of the same department. Privatisation cannot be a viable option, as the private operators cannot easily substitute it in the near future. Also it holds promise for turn around with imaginative policies, like improving the fuel efficiency and reducing the staff cost.

A.1.8: Himachal Pradesh

The hardship that the HRTC encountered was that its operation expanded more in the far flung areas of the state and on newly constructed roads which led to less utilization of stock, higher expenses on operation and less yield in terms of revenues. Case in example, is the HRTC operation in tribal areas of Himachal Pradesh viz. district of Kinnaur, district of Lahaul and Spiti, Pangi and Bharmour Sub-divisions of Chamba district. At present, though a road exists across the Rohtang Pass, which is closed for traffic from October to June whereas the valley remains open for operation till December and reopens for operation in April. Thus, vehicles are stranded in the valley from December to April without any operation. The staff is ferried by helicopter in December every year to Kullu and carried back to the valley in April in the same manner. The operations thus are not, only highly uneconomical, but also are hazardous. The operations in this valley are essential for intra-valley movement for normal human needs like education, health, supplies etc. Thus, benefits though accrue to the residents of the valley, but leads to aggravation of losses to the Corporation. Similar is the situation in operation in the valley of Kinnaur where the operations touch the height of 15,000 feet almost for 10 months in a year. Operations in valley of Kinnaur acquire more importance for obvious reasons as it is situated on the border with Tibet. Even today, the operations in the valley of Pangi are met with the mini buses and jeeps. In the socio-economic situation that accrue in the State today, one cannot think of economics of operations as the benefits that accrue to the people by the bus services are of vital importance to the economy of these areas.

Nevertheless, the operation of this corporation over the years has taken place mainly due to the budgetary support provided by the State Government, of about Rs.15-30 crores in the recent past. As we have observed that since the financial position of the HRTC, was not good, incurring losses to the tune of over R.40 crores, it had to depend on the state's budgetary support, both in the form of state investment (in the form of capital contribution) and subsidies/reimbursement for concessional travel. However, this cannot continue for long. This is because the state's finances are getting tight every moment and the projected net flows from the state to the HRTC over the next five years, 2004-05 to 2009-10 is about Rs.66 crores. The State Government is thus encouraged to privatise the operations of bus services in the state.

So, to remain a viable transport undertaking, the HRTC has to improve its financial performance. This essentially requires improvement on its direct cost, namely the personnel cost and material cost. To elaborate, this requires improving the bus-staff ratio, doing away with excess staff and reducing the fuel consumption. On the other hand, the occupancy ratio needs to be improved as it is below 50 percent. It has also been observed that when the fares

were reduced by 8-11 percent in September 1997, the occupancy ratio improved from 64 percent to 75 percent. Also when it was increased in October 1999, the occupancy ratio dropped to 57 percent. So there is obviously a need for some consideration regarding reduction in the fares, and hopefully this will bring in more revenue, thereby improving the financial viability of the corporation and attain break-even in the near future. The HRTC will have to depend less on the State's budgetary support. Otherwise, we find that the viability of the HRTC is in doubt.

A.1.9: Karnataka

As far as the Road Transport Corporations operating in Karnataka are concerned, in overall context they are doing a commendable job. Till a few years back, only one corporation, namely the Karnataka State Road Transport Corporation (KnSRTC) existed in the state, and it experienced several hardships in its operation. So to improve its operational performance as well as it commercial viability, the corporation was bifurcated into three undertakings, the existing KnSRTC (in reduced form), Bangalore Metropolitan Transport Corporation (BMTC) and North West Karnataka Road Transport Corporation (NWKRTC). Sometime later another corporation was carved out of the KnSRTC, namely the North East Karnataka Road Transport Corporation (NEKRTC).

Apart from the NEKRTC, for which we have no data, all the other corporations in the state are doing very well commercially. Before the bifurcation the KnSRTC was incurring net losses every year. But after that all became profit earning corporations; the net profits of the KnSRTC, BMTC and NWKRTC, at the end of the fiscal year, 2003-04 were Rs.115 crores, Rs.157 crores and Rs.12 crores respectively. This is an indication of better utilization of resources. Moreover, all the three corporations are providing more to the state as the figure of net flows suggests. The projected net flows over the next five years, 2004-05 to 2009-10 is increasing in both the KnRTC and BMTC. This is because the state receipts in the form of interest payments and taxes are increasing over time, even though the burden due to concessional travel is falling.

However, in the NWKRTC, as the burden is falling over time, so the net flows here is decreasing over time. The management is trying to impress that there is shortage of staff at the operating division, due to which the stores records were not updated, stores receipts and issues were not being posted in bin cards for weeks together, the preparation of local purchase statements was delayed. Nobody would deny that efficient control of material cost and inventories by ensuring uniform flow of material of right quality at right time and at right price so that it may have operational efficiency, has to be taken due care of. Critical staff needs to be appointed/deployed but it has to be seen that overall personnel cost should not increase unless not justified by productivity on all fronts. This has to be impressed upon the management lest the corporation goes on the lines of its sisters—not known for virtues.

Occupancy ratio, which shows a declining trend and which should be reversed anyhow even at stagnant profit for it is an indication of better utilization of resources. One can therefore, conclude that, the corporation is not a burden on the state government. However efforts must be made to continue with the present good showing and even improve upon it in the future. Regarding any ground for state intervention, one could say that if the accumulated losses of the corporation could be removed by any means, the internal capital of the corporations would become more robust. So as far as the KnSRTC and BMTC are concerned, nothing needs to be done by the state; they are boat on rails. BMTC could in fact be advised in the near future to ploy back its profit.

A.1.10: Kerala

KSRTC has been a loss-making corporation. Accumulated losses have increased continuously from Rs.224 crore in 1991-92 to Rs.1028 crore in 2001-02 with net loss at the end of 2001-02 is around Rs.170 crores. Though the corporation is loss making it is not a burden on the state exchequer rather it provides more to the state than what it received. The forecasted figure of the net flows to the SRTU is negative, which implies that the SRTU is providing support to the state of about Rs.230 crore.

As far as the operational performance of the corporation is concerned it presents a mixed picture. Occupancy ratio was very good till 2000-01, it was around 80 percent but thereafter it dropped significantly to 68 percent. Bus staff ratio per bus on road of KSRTC is very high i.e. 9.68 in compared to other major transport corporations. This results in the personnel cost of the KSRTC to be very large. So if some employees opt for VRS then the corporation will be in a better position to handle its finances and hope to turnaround in the near future. So, to remain a viable transport undertaking, the KSRTC has to improve its financial performance, which is mainly possible by increasing the occupancy ratio and at the same time curtailing its personal cost. The KSRTC also faces burden on account of concessions announced by the government. The burden is very significant as this amount is found to be increasing over the years. The state provides no subsidies/reimbursement for the concession given to different section of the people. So regarding any requirement for govt. expenditure to improve the viability of the corporation, the state can grant full reimbursement for the concessions.

Privatisation cannot be a viable option, as the private operators cannot easily substitute it in the near future. So VRS is an alternative option to reduce the cost of the corporation, thereby improving its commercial viability. However the state is not in a position to finance the VRS cost of the employees. Therefore help is warranted from other sources, viz., grant from the Planning Commission, as it has already been done in the case of ASMSTC.

A.1.11: Madhya Pradesh

The profitability of the corporation would have shown a somewhat different picture if the state government did not prefer to get returns in term of tax revenue and instead preferred profit or return on capital from MPSRTC. It is true that the MPSRTC has been incurring losses, but if we take the above view into account, perhaps the correct interpretation would be that these losses are government imposed and if the total contribution of the MPSRTC to the state exchequer is taken as the indicator which it really should be, then the position of this corporation in this respect cannot be said to be dismal. This is reflected in the figures of net flows, which shows that the corporation is providing more to the state. Nevertheless the corporation has to pay the stipulated amount in the form of interest and taxes even though it is incurring losses

However, the finances of the corporation as such are in a dismal state, which is reflected in the cost recovery ratio, in the range of 70-75 percent in most of the years. In fact, the situation has become very precarious at the end of 2002-03, when the cost recovery ratio has been only 47 percent. So not only the costs have to be reduced, measures have to be taken to increase the revenue collections as well. Fare revision can be an option but it has been observed that this affects occupancy ratio adversely. So only a judicious fare revision would have the occupancy ratio more or less unaffected, thereby improving the revenue.

It is to be said that the corporation has to improve its operational efficiency by some margin so as to reduce its costs. A major negative trait of the MPSRTC is that its fleet utilization is 75-80 percent, which implies that quite a number of its buses are off the road.

Not only that the average age of its buses is more than 10 years, which means the cost of operation is much larger as over-aged buses entails more costs in the form of more fuel consumption, frequent breakdowns, greater expenditure on repair and maintenance. So one of the major modes of action for the corporation would be to replace the over-aged buses on a regular basis.

Turning towards the revenue side, measures need to be undertaken to improve the occupancy ratio. But as we have seen that in some cases, occupancy is adversely affected by the revision of fares. Since the revenue earned is the product of the occupancy and the fares, so the changes have to be so effected so as to raise the revenue collections ultimately. More emphasis is to be given on the economical routes to improve its commercial viability along with its social obligations. Measures to improve the non-traffic revenue, as has been undertaken recently like renting out premises, like giving licenses to private parties for opening stalls, restaurants, kiosks, telephone booths etc can also be an option.

A.1.12: Maharashtra

No doubt, the State could claim that the State would not be a loser if private operators replace public corporation. But then the service rendered to people on uneconomic routes would be greatly inconvenienced as only the MSRTC provides bus services in the uneconomic routes of the state, like roads linking to the villages and kaccha roads. Moreover, they are sizeable players not to be easily dismissed as the MSRTC owns more than 16500 buses and employs more than one lakh people.

The MSRTC has on a regular basis failed to pay the interest on loans and interest bearing capital. On the other hand the state has only recently started to provide full reimbursement to the corporation for burden due to concessional travel. Overall it seems that MSRTC is a commercially viable SRTU as the net losses incurred have been falling consistently. Moreover both the capital invested and capital employed are positive, and the net worth of the corporation has been always positive. So there is no doubt that the MSRTC will turn around in the future, even if it is loss making at present.

Privatization could be an option. But then the employees must be offered a suitable Voluntary Retirement Scheme (VRS), which is acceptable to them. However, retrenching such a huge number of employees, around 20,000 is not an easy matter. It should be done in a phased manner. On the other side, to continue with the services of the corporation some drastic measures need to be taken. To begin with, personnel cost accounts for about 40 percent of the total cost in the MSRTC. However, if passenger tax collection is excluded from the cost then it is easily very close to 50 percent. So personnel cost need to be reduced immediately. For example, the checking staff is basically an excess baggage to the corporation for on an average, the revenue earned by them on surprise checking and fines is about Rs.11 lakh, but the cost incurred for this is about Rs.5 crore. This does not make any economic sense and the cost of regulation is too high. Overall the reduction in the personnel cost can be done by bringing down the bus-staff ratio to 6 which would help reduce the cost by 5 percent for the given salary structure. If it could be reduced to 5, the salary-bill will reduce the cost by 10 percent and positive profit may be around the corner. But drastic reduction in bus-staff ratio may not be feasible or even conducive in the near future.

Not only that, the material cost is also rising, which is mainly on account of high fuel consumption. Though the fuel efficiency in the MSRTC is improving every year, yet the expenditure on fuel consumption is increasing. This is mainly due the problem of overaged buses, which not only consume more fuel but also increases the repair and maintenance costs

due to frequent breakdowns. So, to reduce the material cost the corporation has to do away with the over aged buses on a regular basis.

On the other hand, the revenue earnings should be augmented so that together with the reduction in the costs, the corporation could hope to turnaround in the near future. Occupancy ratio in the recent times has been falling quite significantly. So to increase the revenue occupancy ratio has to be increased, which can be done by providing comfortable buses on those routes where the occupancy is good. And regarding the non-economic routes, the corporation can supplement the revenue earnings from non-traffic revenue.

A.1.13: Manipur

It is clear that MPRSRTC is receiving more from the state exchequer than it gives to the state, i.e., the net flows from the state to the MPRSRTC is about Rs.2-3 crore. In other words, it is a burden on the state though the projected figure of the net flows has been showing a downward trend, from over Rs.1 crore in 2004-05 to Rs.64 lakh in 2009-10. Moreover with a fleet of only 4 buses, the capital invested of the corporation is negative and the accumulated losses is about Rs.34 crore, which is far from acceptable.

As far as the operational performance of the corporation is concerned it presents a mixed picture. The cost recovery ratio of MPRSRTC is only 20-40 percent, which implies that the corporation is far from commercially viable. With only 4 buses on road, the corporation is maintaining an employee of strength of more than four hundred, which leads to huge personnel cost. Occupancy ratio is very low, about 52 percent. There is little scope in improving it, as the corporation does not have the required number of buses on road. All these leads to a very precarious condition in the road transport in so far as the public sector is concerned. The State Government cannot by any means improve the viability of the corporation. So there is no alternative for but to close down the corporation.

A.1.14: Meghalaya

Inflow from the state to the corporation in terms of sporadic grants has been substantial. Non-traffic revenue including subsidy is more than the traffic revenue. To measure the viability of the corporation in the future, we have projected these net flow figures for the next five years, 2004-05 to 2009-10. We find that the corporation would continue to be a burden on the State Government, but the projected net flow figure shows a decreasing trend. This may be due to the fact that the state would provide fewer subsidies in the future.

The bus staff ratio in the corporation is still very high. The number of buses on road has declined every year and in 2001-02 only 24 buses were on road. Occupancy ratio is less than 60 percent. MEGTC buses have been mostly operating in non-economic routes, which is evident in the fact that out of the 23 routes on which it was operating in the state, only 4 are profit-earning (economic) routes. Over all the situation of the MEGTC is pretty bad. Once one comes to realize that most of the revenue earned is not an outcome of traffic activity, one hardly finds reason for its revival. But on retrospection, privatisation cannot be a viable option as private operators will not be willing to ply their buses on the uneconomic routes thereby affecting the road transport communication in the state.

A.1.15: Nagaland

NGST has been a loss-making SRTU. Accumulated losses have increased continuously from Rs.41 crore in 1991-92 to Rs.127 crore in 2001-02 with net loss at the end of 2001-02 is

around Rs.8 crores. For the last three years it has been observed that the net loss of the SRTU declining marginally which is mainly due to the improvement in the cost recovery ratio.

The NGST is heavily dependent on state budget for its operation, where the annual increase in the state investment has been over Rs.10 crore. The state however does not receive anything in return neither in the form of interest or tax payments. The burden on the SRTU due to concessional travel is only about Rs.1 lakh per annum. So the net flows from the state is basically the annual increase of state investment in the SRTU. If we project the net flows for the next five years it is shown to be increasing by about Rs.23 lakh per annum.

As far as the operating ratio of the SRTU is concerned, it is far too high to make it commercially viable. There are not enough indicators to show that there is a possibility for NGST to turn around in the future. As far as the option of its revival is concerned privatisation cannot be suitable as there are over a thousand employees in the SRTU and retrenching them will not come cheap.

Regarding any ground for state intervention, one could say that if the accumulated losses of the corporation could be removed by any means, the internal capital of the corporations would become robust, which would somehow help SRTU perform better.

A.1.16: Orissa

At present OSRTC is a profit making Govt. undertaking. The net flows presents a mixed picture, in some years it is towards the state, while it is towards the corporation in other years. Net flow from the state is now positive except 1998-99 and 2001-02, which entails that the corporation is a burden on the state exchequer. Based on this, we now project the net flows from the state to the OSRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is getting from the state exchequer, an amount of almost Rs.3.71 crore. OSRTC was one of the loss-incurring corporations in last century, but after 2000-01 it started the process of restructuring and reform, generating a net profit of Rs.0.52 crore in 2002-03. Due to which last two years the corporation is getting profit and it is expected that there may be a turnaround. The corporation has been undergoing downsizing the workforce and restructuring under various parameters since 2000-01. Though the number of buses and the routes operated OSRTC buses are limited over the years it will increase and serve for the welfare of the people of Orissa.

Regarding the operational performance of the corporation it is shown that in recent years the fleet utilization and occupancy ratio is improving. Moreover the OSRTC has recently started to do away with overaged buses on a regular basis, which has helped to reduce the cost to a considerable extent.

The OSRTC have already started the process of restructuring in 2000-01. The major policy undertaken by the corporation is to cut down its employee size. This was enabled by the implementation of the Voluntary Retirement Scheme (VRS) due to which, the number of employees fell from 3492 in 2000-01 to 1602 in 2002-03. It may have fallen further in the last fiscal year (2003-04). Therefore to continue with the present profit earning trend this policy needs to be continued in the near future also. The corporation has reduced its outstanding loan burden taken from various commercial banks under One Time Settlement (OTS). To augment the revenue earnings the corporation can look for avenues to earn non-traffic revenue, like renting out premises, giving licenses to private parties for opening stalls, restaurants, kiosks, telephone booths etc. To reduce the material cost the corporation has to

do away with the over aged buses on a regular basis; not only do they consume more fuel but also increases the repair and maintenance costs due to frequent breakdowns.

A.1.17: Punjab

While in some years, the State Government was providing budgetary support to the PRTC; there were years when the corporation was the net payee. However, it is to be remembered that, on one side, loans and interest payments are not repaid by the corporation on a regular basis, while on the other side, the burden incurred by the corporation, as a part of social obligation of the state, is not compensated by the latter on a regular basis. However, recently the government is making efforts to reimburse the burden completely as in 2002-03. If we project the net inflows of the SRTU over the next five years, we see that the corporation is a net payee, though its magnitude will be falling. This may be due to the fact that the government will fully reimburse the burden sustained by the corporation for allowing concessional travel.

But looking at the performance of the corporation in the recent past, it can be safely said that though there is much scope for improvement in its level of operation, but regarding its viability, there is no doubt. The corporation still incurs losses, but the saving grace is that it is continuously falling. Also with the implementation of the VRS in the corporation, the personnel cost will be greatly reduced, so that the commercial viability will be improved considerably and also the prospects of its turnaround.

This one is a large corporation, plying 1000 buses, employing 5000 people, serving certain socially desirable routes that cannot be easily done away with. Raising fare beyond compensating for inflation is fraught with further erosion in occupancy ratio. Even past combined performance of undertaking and government can be blamed for current fiasco, future strategy has to be evolved for serving the cause while causing no harm to the employees. Even if privatisation of the corporation is considered as the state government has been doing recently, the question is who will own it without compromising service to the people? Should the government unbundle land and other assets and sell them separately? Or should the government, the final owner, lease out land and premises the corporation presently occupies to others?

Turning towards the other SRTU in the state, the Punjab Roadways, we find that it is the State Government, which is the net receiver of funds, rather than the donor as it is supposed to be. The State does not provide any major budgetary support to STPJB. Therefore, it is wrong to denote STPJB as a non-viable transport undertaking. Though there is much scope for improvement in its level of operation, but regarding its viability, there is no doubt. The net flows to the state government are about Rs.125 crores. If these net flows are projected for the next five years, we find that it increases to Rs.200 crores.

As far as the expenditure required to be undertaken by the state government is concerned, it can be said that since the Punjab Roadways (STPJB) is just another state department of the state. So these flows that takes place is nothing but a matter of inter-departmental jurisdiction. Nonetheless, the STPJB is doing quite well and serving the people well.

A.1.18: Rajasthan

The RSRTC is a loss-making corporation, but the amount of net margin (loss) has been declining in the recent past and at the end of 2002-03 it was around Rs 40 crore. So RSRTC has improved its financial position to a certain extent. There is no doubt that the clandestine operations by the private operators are a big threat to revenue earnings of the SRTU as

private buses may charge a trifle less compared to their state owned counterparts. The private buses do not pay the road tax and other taxes to the government and most often these operations take place during the night. It is also alleged that these revenue leakages amount to be about Rs.50 crore a year.

The capital employed, capital invested and net worth of the corporation are positive, which implies that if it is operated on a more efficient basis, there is every opportunity for the corporation to turn around. On the basis of the current level of operational performance of the RSRTC, we can say that if the present occupancy ratio of buses can be raised by 10 percent points to about 70 percent, the break-even point can be achieved with ease. And it is argued that there is no reason why occupancy ratio will not rise if clandestine operations are stopped.

The RSRTC contributes a large proportion of its revenue as taxes and the amount increases over the years from Rs.35.83 crore in 1991-92 to Rs.84.52 crore in 2002-03, an increase of 142 percent in ten years. The total tax paid by the corporation includes a substantial proportion of passenger tax, which is included in both cost and revenue. Since it is an item owned by the state, it may not be taken as a genuine contribution of the corporation to the state. Profit before interest and tax remained positive throughout the decade, which states that losses incurred by this corporation are less than taxes paid. The corporation is well off then its counter part corporation. Even though RSRTC is making losses the gap between revenue collection and expenditure is low; net margin is less then tax paid. So there is more chance for the corporation to survive.

Regarding the viability of the corporation there is indeed no doubt. The state has for a long time stopped contributing any capital to the corporation. Moreover the state does not reimburse the burden, which the corporation absorbs due to concessional travel. On the other hand the state receives both interest and tax payments from the RSRTC. So we see that the corporation far from being a burden on the state exchequer provides net flows to the state. If we project the net flows for the period 2004-05 to 2009-10, we find that the corporation will be providing a substantial amount of about Rs.90 crore to the state.

A.1.19: Tamil Nadu

The commercial viability of these transport companies (along with physical viability which they have) is of great importance, which they can attain with ease, because they play and can play as great interventionists in the public passenger transport. These STUs were incurring losses mainly due to the low fare structure and high costs of operations, which were not adequately compensated by the fares. So accordingly when the government revised the fares from 06.12.2001, the losses, which were Rs.228.86 crore before the fare revision, came down to only Rs.98.86 crore. In fact the losses for the year 2002-03 were less than Rs.1 crore. Therefore it is very important the government revise the fares on a regular basis.

To improve the operational efficiency (reducing the costs of operations) it is imperative for the Government to amalgamate the existing STUs into just 7 Government companies as would be decided by the Company Law Board, Government of India. Not only that it would also reduce the unhealthy competition, which exists between the STUs in Tamil Nadu.

Another perennial problem of these STUs is the holding of a large number of overaged buses, which results in high costs of operation as they consume more fuel (HSD), require more repair and maintenance and spare parts, etc. So measures must be taken to ensure that the overaged vehicles are replaced regularly.

At present the STUs are a net payee to the state, and in the recent past it is shown to be increasing. If we project the net flows for the 2004-05 to 2009-10, we find that they are

increasing over time. This has mainly to do with the fact that the burden sustained by the SRTUs for the concessional travel in their buses, is not reimbursed completely by the state (only about 25-30 percent). So it is imperative that the state reimburses the burden on a regular basis.

A.1.20: Tripura

At the outset it can be safely said that the viability of the TRPRTC is very poor. The operational performance of the corporation is less than satisfactory in every respect. There is excess staff in the TRPRTC, as with only 47 buses on road, the number of employees is 779. Moreover, most of the buses of the corporation are overaged, which results in unnecessary costs in the form of extra fuel consumption and frequent breakdowns. Obviously, the cost recovery ratio shows that the revenue earned by the TRPTC is insufficient to recover the cost incurred by the corporation. In the recent past, capital employed, capital invested and net worth has turned negative, thereby putting the future viability of the corporation in doubt. Of course the occupancy ratio has increased in the recent years but it did not work to strength the TRPRTC.

The outflow from the TRPRTC to the state exchequers in the form of interest, taxes etc., is very low. On the other hand, it has been receiving capital contribution from the state on a regular basis. Thus, the corporation is proving to be a burden to the state exchequer of an amount of about Rs.11 crores. If we project the net flows for the period 2004-05 to 2009-10, we find that the burden is going to increase substantially to about Rs.20 crores, considering the TRPRTC to be a much small corporation.

No amount of expenditure by the state can revive the corporation. If we take into account the social perspective, there is no way the public purpose is served. It is thus much better to close down the operations in the state.

A.1.21: Uttar Pradesh

It can be safely said that the performance of the UPSRTC is by no means dismal. From the analysis we have done, it is quite clear that UPSRTC is net revenue provider to the state exchequer rather than the other way round. Net flows from the corporation to the state at the end of 2002-03 are about Rs.11 crores. If we project the net flows for the period 2004-05 to 2009-10, we find that the burden is going to increase to about Rs.15 crore at the end of 2009-10.

Net flow from the state to the UPSRTC has been negative throughout this decade. Here we have to remember that state has not given any subsidy or any reimbursement for the burden due to concessional travel to this corporation. Moreover, as the capital contribution provided by the state, the amount of interest received by state was greater than the amount payable according to the norm for same years for which data is available. This explains that, though the UPSRTC has been incurring loss throughout the decade, state has been receiving—of course as a matter of right— more than what it contributed to this corporation.

However, the intriguing fact is that despite the fall in employment every year, as personnel cost still accounts for 45 per cent of the total. This may be due to the fact that the wages/ salaries are linked to 'Cost of living Index' and spiraling rates of inflation have resulted in higher share of personnel costs. The bus-staff ratio is found to be around 8 in the UPSRTC. So, there is some scope for reducing it, as has been attained in other corporations. We can reduce the costs of the corporation, by bringing down the bus-staff ratio by 25 percent, which some other corporations have been able to do. This will ensure a reduction of

minimum 12 percent in the cost and the corporation may reach near break-even. But this should not be at the cost of falling occupancy ratio.

So for the corporation to turn around, what is needed is to increase the revenue earnings and at the same time reducing the cost. One of the main avenues to increase the revenue earnings is to increase the occupancy ratio, which depends upon various factors – seating capacity, types of services, spread of operation, scheduling etc. So, in order to increase the occupancy ratio, the management of the corporation should look at each and every aspect. Moreover, improving occupancy ratio particularly when there is positive trend in bus utilization appears to be more difficult. It seems that, after a certain level, occupancy ratio becomes difficult to improve, as the level of service in terms of comfort decreases with increasing occupancy. To augment the revenue earnings the corporation can look for avenues to earn non-traffic revenue, like renting out premises, giving licenses to private parties for opening stalls, restaurants, kiosks, telephone booths etc.

The average fleet age of the corporation buses is on the higher side about 6.5 years. Thus to reduce the material cost, the corporation has to do away with the overaged buses on a regular basis as not only do they consume more fuel but also increases the repair and maintenance costs due to frequent breakdowns.

The internal capital of the UPSRTC in the form of accumulated reserves and surplus has been a major contributor to the overall capital of the corporation. But at the same time the huge amount of accumulated losses crowds out the accumulated reserves and surplus such that the capital invested is barely substantial. Thus as far as the required govt. expenditure to revive the corporation is concerned what can be done is to clear the accumulated losses, so that the corporation can become commercially viable once again.

A.1.22: West Bengal

When every parameter such as bus utilization, occupancy ratio, bus-staff ratio, bus-run, has to be rationalized/improved, there is hardly any chance to turn-around the corporation. The operating ratio is embarrassingly high in the KSTC, over 200 percent and the cost recovery ratio is below 50 percent. The State did not reimburse the burden of concessions absorbed by the KSTC. Despite the considerable budgetary support from the State Government for about 7-8 years, with an amount of Rs.90 crore at the end of 2002-03, the corporation did not show any sign of improvement, either from the financial side or from the physical side. It has become a major burden on the state finances. Once we project the net flows for the period 2004-05 to 2009-10, we find that it will become about Rs.150 crore at the end of 2009-10. Therefore there is no justification for the state to incur such huge burden when the corporation has failed to perform in every respect.

Hence there is need to search for options acceptable to the government and the employees. With over 800 buses on road and more than 8300 employees in the corporation it is not easy to close it down. If the corporation is to continue its operations in the state then it has to take some hard decisions very quickly.

A.1.23. The North-East

An impression has been created that the transport corporations/undertakings need to be run on subsidized basis in the north east region of the country so that the people of the north east are provided cheaper transport. It is found unfounded. If the corporations do not run even 5 percent buses in their respective territories, if their occupancy rate is not even fifty percent, and if the subsidy provided per bus runs in several lakhs, many more time the cost of the bus,

there could be no justification to keep the undertakings morbidly alive. Euthanasia is the right treatment as it otherwise means spreading the disease further. The total subsidy goes to the management, officers and employees; passengers, people and region are assisted in no way. A few thousand people who get paid without having to work spread the disease of not-working yet getting paid. It will be better if all the corporations/undertakings come together and pool their resources and run inter-state buses to have better occupancy (along with intra-state buses). Otherwise one finds that these states are having good many private vehicles, smaller than buses, to serve the local populace. So much fuss should not be made of passenger transport; for the whole movement of goods is managed by private operators only.

A.1.24. General Observations

The SRTUs, barring a few in Karnataka, are in a pitiable condition. Even in the states where they enjoyed monopoly they could not fare well so far as their financial health was concerned, not even in those days when there was not much of competition from other vehicles in short distances and contract carriages, operating legally or otherwise. While many of the SRTUs were organized as statutory corporations, they had hardly any choice on any of the parameters of running. It was understood that their monopoly position would permit them to earn enough revenue to cover cost even while fares would be kept low and employees would receive emoluments no less than their counterparts in the general government. This did not happen even in the long run. But the fact was glossed over. Worse than that, populist measures on both the sides, employment and fare, were undertaken as also on wages. Losses were went accumulating to be covered by the state subsidies.

Suddenly they were reminded that they are commercial enterprise and are supposed to earn profit and yet pay exorbitant taxes but they could not decide their fare structure. They were supposed to operate on uneconomic routes and obey concessional policy. In such an external environment, they went on accumulating not only losses but all kinds of inefficiencies they could. The state and the corporation both colluded in camouflaging until the point of burst.

With the very fact that they were criticized on all accounts but also because their survival is danger, the some undertakings, particularly corporations, have given serious thought on identifying the areas they should improve and the areas the government should help them. This is working well in one sense that they may come out of the red. However they will concentrate more on high-end services and will compete with private operators but will ignore to provide the advantage of the road transport to that part of public, trade and industry, which have low income or are in backward areas.

A.2

ISSUES IN VIABILITY

A.2.1: Public Sector in Public Passenger Transport

There are motor vehicles carrying goods and there are motor vehicles carrying passengers. There are vehicles carrying goods and passengers belonging to the owners or on friendly basis and there are vehicles, which carry goods or passengers, as the case may be, on payment. The vehicles available to anybody for travel or for transporting goods on payment basis are known as public carriers. These carriers may belong to the private sector (individual owners or private companies) or they may belong to the public sector (any level of government, public corporation or government company). What do they carry, whom do they belong to and accessibility to general public or otherwise are the criteria of classification, according to the Motor Vehicle Act, 1939/ Motor Vehicle Act, 1988.

There are these days about 7.0 lakh public transport buses in India, of which around 1.15 lakh are in the public sector[1,2]. The share of public sector in public passenger transport is thus around 16 percent by fleet size. This share had gradually risen through the sixties and seventies of the century gone by and had peaked up around 50 percent by 1977-78 when total number of buses in public transport was just around 1.2 lakh. Today this is the number with the public sector. The percentage varied considerably across states.

A.2.2: Contract Carriage and Stage Carriage

Public transport buses are further classified as contract carriage and stage carriage. While a contract carriage carries passengers between any two points for payment without stopping to carry or drop passengers not included in the contract, on a time basis (with a permit from the State/Regional Transport Authority), a stage carriage runs on a given route, stopping at various stages to pick up and drop passengers charging separate fares from them for separate distances.

While occasionally public sector transporters use their vehicles as contract carriage normally it is the private sector transporters who ply contract carriages. There are states where total stage carriage transport is nationalized yet there are a good number of contract buses in public transport. For example, in Maharashtra all routes for stage carriage are nationalized yet as against 22000 buses with public transport undertakings there are 42000 buses with private transporters who are supposed to run them as contract carriage. In Gujarat, against totally nationalized state for stage carriage, there are 32000 private buses as compared to 11000 with public transport undertakings. It is understood that many of the contract carriage buses are operating clandestinely as stage carriage. Private carriages within public sector and private sector both for passenger transport are too few to merit our attention as far as buses are concerned.

A.2.3: Forms of Public Sector Undertakings

Public Sector Road Transport undertakings are classified as (i) statutory corporations, (ii) government departmental undertakings, (iii) government companies, and (iv) municipal undertakings. Municipal undertakings are in fact municipal government's departmental undertakings. However, in most of the city bus services are run by state undertakings.

As of now there are 23 State Road Transport Corporations, 9 departmental undertakings, 22 government companies and 9 municipal undertakings. (Recently, 20 companies in Tamil Nadu have been amalgamated into 7.) These 63 undertakings are members of Association of State Road Transport Undertakings (ASTRU). There are expected to be a few more undertakings, which may not be members of the ASTRU. Then, there are also some tourism development corporations—owning certain number of buses.

Though state road transport undertakings made some presence in pre-Independence period, a view emerged that these undertakings should be run as corporation. In many states, the public sector undertakings were favoured to be run by the department of transport though later some of them were converted into corporations. In some states, they were/are run as government companies. Normally, it is mono-mode operation in a state but it is not a universal rule. Similarly, there is one undertaking in a state but there quite a few exceptions. In Orissa there was a government company and there was a corporation but in 1970, the former was merged with the latter. In Punjab there exist both—a departmental undertaking and a corporation. In Karnataka today there are four corporations while in Tamil Nadu there are seven companies after amalgamation of over 20 companies, which existed till last year.

For quite some time now, many public sector undertakings have also started hiring private vehicles to some extent under various schemes and run them under their aegis. In few cases, the corporations have permitted, for consideration, private operators to operate buses from their premises on specified schedules under their logo on their routes.

The undertakings are for data compilation and analytical purposes classified as (i) rural, (ii) urban and (iii) hill, though rural ones also run city services as well as intercity services while urban ones also run intercity services. Both of these run inter-state services too. According to this classification there are 40 rural, 14 urban and 8 hill undertakings.

A.2.4: Road Transport Corporation Act

Road Transport Corporation Act 1948 and Road Transport Corporation Act 1950, repealing the former, were enacted just after independence to provide a model act for the States which had jurisdiction over road sector. The purpose was to progressively nationalize public transport yet run outside the government apparatus. With inclusion of road transport industry in the list of industries which were stipulated in the Industrial Policy Resolution 1956 to be progressively nationalized, passenger transport was undertaken to be nationalized by covering more and more routes.

The Union Government proposed to contribute, on terms and conditions as agreed upon, to the capital base of the transport corporation so established for the state as a whole or a part thereof. The Union Government contributed only when a corporation was formed.

Though minor amendments were brought in the Act in 1956, 1957, 1959, and 1960, a major amendment was brought in 1982, which considerably changed the composition of the Board.

A.2.5: Objectives of the Transport Undertaking in the Public Sector

Why should public transport for passengers be within public sector while that for goods should be exclusively with private sector? It seems the public sector did intend to enter the goods sector but it simply could not. We are not discussing why any economic activity be carried out by public sector. In perception of the government, neither the private sector was providing adequate service nor was it amenable to the kind of regulation the government wanted. It therefore decided to enter the public passenger transport.

Not only it decided to enter into the activity and supplement the service provided by the private sector but also sought to get certain routes nationalized in its favour and thereby become monopolists so far as the routes were concerned. However, this remained restricted to passenger transport and stage carriage operations. In some states such as Maharashtra and Gujarat, nationalization of routes is 100 percent, while in some others such as Andhra Pradesh and Karnataka, it is about 80 percent. In some states, denationalization has started and in others it is complete in the sense that there are no exclusive routes for public undertaking buses.

It be noted that the Motor Vehicle Act 1939 was amended in 1969 by incorporating Chapter IV-A to facilitate formation of transport corporations/companies in various states and in order to further protect corporations from litigations from the private parties this part was put in the IX schedule of the Constitution.

In the limited context, the objectives of running public transport in public sector could be the same as the ones laid out by the State Road Transport Corporations Act 1950 for corporations, which are:

a) to offer advantages due to development of road transport to the public, trade and industry,

b) to coordinate any form of road transport with any other mode of transport,

c) to extend and improve the facilities for road transport in any area, and

d) to provide an efficient, economical system of road transport service.

While objectives (a) (b) and (c) seem to have been met quite extensively, the objective (d) has been questioned with passage of time. It cannot be assessed with what would have been the scene in the absence of public sector undertakings.

But the way the public undertakings have managed the public passenger transport scene and the way they have internally managed themselves as also the way they have been externally treated by the state governments, the situation is precarious. The objective of the public service is out of scene. Their own survival has become the central issue. Except Chhattisgarh which disbanded the part of the corporation which came their way after participation, no state has acted in this direction. Nor is there proposal from any private party to take over the operation of any corporation.

A.2.6: Objectives of the Study

Given the precarious condition of state finances, the issue of viability of state road undertakings—corporations and companies—has come to the fore, which was ignored for long as the states were willing partners of the goings-on.

The state undertakes pure commercial activities for a variety of reasons including protecting the interest of the consumer by providing cheaper service (eliminating extra profits) and/or by offering better quality service. Absence of private sector in certain activities in certain areas could also be a reason for the state to undertake a commercial activity.

There may be good reasons to include an element of tax or subsidy in the price, which should normally be able to cover cost—including opportunity cost of the state-provided funds.

The Twelfth Finance Commission, commissioning this study, seems to be interested in finding out (a) fiscal impact of running of the SRTUs on state exchequer, and (b) financial viability of the STRUs in future.

A.2.7: Basic Premises of Business Principles

Though the State Road Transport Corporation Act (which may be taken as holding good for other forms of public sector undertakings) did suggest that the corporation so set up would be run on business principles, it did not suggest that it should earn profits as much as it could. On the other hand, it did suggest the corporations to economize the cost of operation—understandably by cutting material cost for public sector was to supposed to be model employer. The salary of staff in the corporation could not be lower than that of those who were in the administration or in a departmental undertaking. A driver is a driver or a peon is peon. One could talk of numbers in either case.

While promotion of interest of the consumer is articulated, it is clear from the text of the Act that the interest of the employee is also protected and promoted. Literature suggests that in pre-independence times the passengers were a harassed lot. Authorities were not able to regulate in adequate manner the unbridled competition among private transporters resulting in ill treatment of passengers. There were also routes where no transport would be pressed into service as they were not economical to private transporters either there were too few passengers or people of the area were too poor to afford the fare, which, for a given size of bus, would be higher for low occupancy.

It was felt, it further appears, that economies of scale could also be harnessed if individual owners could pool their buses and form an association or cooperative. The transportation authorities made such suggestions and they showed a preference or made overtures for associations in granting route permits. But private operators did not show interest in pooling their buses.

But most important presumption, which seems to have informed the decision regarding public undertakings in the passenger transport sector, is the following. In the absence of public sector in the passenger transport services, private transporters were making huge profits, it was presumed, which could be absorbed to offer higher wages to the employees and to offer cheaper transport to the passengers. How much higher wages and how much lower fares was not explicitly articulated. The states continued giving support for the difference in the running cost as also expansion of the transport service. State should pave the road and the corporation should run the transport, continued to be the practice. So long was coming to support, the issues of uneconomical routes, concessional fares, and low fares were not raised.

However, it is important to note, it appears that almost as a rule more people were employed than were needed for a particular task even with most liberal norms. There could be little justification for such a tendency in any public sector undertaking except where else could the people could go. The procedure of induction in the corporation was easier so everybody—from politician to bureaucrat—pushed the people for compassion or consideration.

The logic could not be stretched to pampering employees, who it is understood have been enjoying far greater prosperity than the nation did on an average. But this is true of all public servants—more so those in he corporations.

A.2.8: Viability, Efficiency and Profitability

It has often been argued that the criterion of efficiency in a public sector undertaking could not be profitability. It could be argued that profit could be an indication only of imperfection of competition in the market—except for normal profit which is an element of cost.

As an alternative to profitability, net value added is suggested as the measure of efficiency for a public sector undertaking. Net value added, defined as the difference between total revenue and material cost (including depreciation in net-net version), includes wages and interest. If these elements are inflated—paid more than they can fetch in a perfectly competitive situation—net value added would have a pseudo element in measuring efficiency.

In the limited sense of viability, where the states are in no mood or in no position to help their undertakings even for extra-fiscal social responsibilities, which the undertakings accept on behalf of the state (for which there has been history), there is no go for them except to stand on their own legs. At the minimum, one has to see that break-even in operation is achieved.

For achieving the break-even one may have to work on both the sides—cost and revenue and yet have to be pragmatic. In other words, break-even configuration of revenue parameters (such as fare) and cost components may not be unique and a judgment may be needed. While working on revenue side, one can also not lose sight of competition from other transporters (short distance and long distance) and the railways. One has also to look at the implications of one's actions on public (in particular, the consumers and employees of other private transporters).

A.2.9: Fiscal Impact on State Budget

Besides viability for future, we have also been advised we to ascertain the fiscal impact of current operations of the SRTUs on the state budgets.

From a state to its SRTU(s) there could be outflows in terms of (i) increase in its capital contribution (equity or perpetual loan), (ii) increase in its loan capital (term loan), (iii) general capital/revenue grants, if any, and (iv) compensation for concessions announced by the state government and complied by the SRTUs.

From the SRTUs to their state government there could be outflows in terms of (i) taxes—motor vehicle tax, passenger tax and other taxes, (ii) dividends for state equity and (iii) interest for loans advanced to it. One could question the wisdom of inclusion of passenger tax among these flows because an SRTU is just the collection agent as is any other transporter. We have not included proceeds of passenger tax in the flows to the state because the tax belongs to the state and an SRTU is only an intermediary to collect it along with fare.

A.2.10: Viability

However, from the angle of undertaking, it has to be seen further whether the undertaking is commercially viable which means whether it earns profit. Profit is the difference between Revenue and Cost.

Revenue can be earned through main activity of passenger transport and through subsidiary activities of selling scrap, letting out stalls, permitting advertisements etc. and contingent activities such as earning interest on deposits etc. Ninety to ninety-five percent

revenue is earned through passenger transport and is known as traffic revenue or operational revenue, which may be including fines and penalties as a small sum.

In the data as complied by the Central Institute of Road Transport, cost includes interest, depreciation and all taxes –besides personnel and material costs.

It is important to note that in this data set revenue and cost both include passenger tax. Profit will remain the same whether passenger is included or excluded. But the ratios and percentages will all change. In order to purge the relevant aspects from this external factor, revenue and cost have been netted out in this exercise.

A.2.11: Capital Contribution

Capital requirement of an undertaking, if run departmentally, has normally been provided by the state government from the state plan outlays. If set up as a statutory corporation, its capital requirement was partly met by capital contributions by the State Government in addition to contribution by the Union Government, which is supposed to be half the amount made by the former. This capital contribution is actually of the nature of perpetual loan whereby while principal amount has not to be paid back, the interest has to be paid. Thus, there is stipulation of a rate of return on the capital advanced by the governments. However, many of the corporations have been in default in payment of interest to the Railways, which represented the Union Government[3].

As per the Act, a corporation could also float shares in case it needs more money or capital contribution is denied. However, towards the late eighties/early nineties the Union Government decided in respect of the loss-incurring corporations, to convert the loan amount together with outstanding interest thereon into equity capital. While no additional capital was provided, the corporations were relieved of interest payment if they incurred losses. In case they earned profits, they were liable to pay dividend. But flow of additional capital from the Union Government stopped. The State Governments also followed the suit but they continued/continue providing loan amounts/capital grants for particular purposes such as development of infrastructure, etc. The scene could be likened with the mother-father affection.

A.2.12: Incurrence of Loan/Debt

In addition, most undertakings generate internal resources in terms of general and other reserves and funds. But they also resort to market borrowings from financial institutions such as IDBI and LIC, etc. In many states, there are development financial corporations to which the corporations have been turning to for loan. Many corporations failed to get any money from theses financial institutions/development banks/commercial banks.

The scene is now changing. If a corporation is performing well or showing some promise, the financial institutions are ever willing to lend. In fact, lenders are now approaching the borrowers, which was a dream once upon a time. Some of the corporations have renegotiated the loans at lower rate of interest or borrowed from one and paid to the other.

A.2.13: Debt-Equity Ratio

If the owners are the major contributors of capital, people may find little justification if they provide all capital in terms of loan capital alone, claiming interest at an agreed rate of interest. The owners by definition undertake risk in running a commercial venture.

It could also be argued that if all capital is provided in terms of risk capital, the secure public managers may not take enough care to economize costs or attempt to earn enough revenue.

Except for the opinion that ventures of both the sectors in a particular commercial activity should be treated equally (level-playing field), there could hardly be a justification for taxing an activity, which has to be provided cheap in the interest of public, trade and industry.

A.2.14: Measures of Profit

One may however find out profit before interest and taxes, which even private ventures try to find out.

One may also think of augmenting the revenue by the amount it incurs as loss on a variety of concessions often announced by the government and complied by the undertakings.

Profit before tax could also be a meaningful exercise in order to find out how much profit could it earn if it had not to pay taxes.

A.2.15: Raising Revenue

Assuming that occupancy will not decline, raising fare could raise traffic revenue. It could also be raised by raising occupancy ratio at given fare structure. Which one easy? In competitive scene, raising fare could mean providing extra profits to private operators. For raising occupancy ratio, lowering fare marginally could have a good strategy if elasticity of demand is more than unity. But why is the occupancy ratio low? At the risk of spurious correlation, one can hazard a good number of hypotheses. One of the interesting stories is that in a corporation the depots/divisions were asked to compete and the Managing Director found one fine morning that there were 26 buses heading in the same direction at the same time! Proper scheduling could improve the occupancy to some extent. Inter-corporation from the same state or different state could also be an issue here.

In some cases turn-around may be possible if passenger tax could be merged in the basic fare and the government does not levy passenger tax.

However raising revenue on routes where private buses offer competition may not be that easy. Perhaps non-price competition through quality service (without raising cost pari passu) may possibly be a solution.

On routes where there is no competition, raising fare may amount to doing disservice to the poor people who may not be having good roads and enough income to afford for social mobility. Could there be differential fares for different routes? Costlier routes should have higher fare or affluent routes should have higher fare?

A.2.16: Economizing Cost

The purpose of public sector entering into this service is basically to provide efficient and economical service. There is therefore a need to look into the cost structure.

Wherever material cost is not low enough, it has to be reduced. Naturally, cost of diesel consumption will depend on price of diesel as also on its consumption per km, which depends on bus condition (age etc.) and road conditions.

Personnel cost is the major cost. If Staff/Bus ratio is too high, it has to be brought down. Within staff, one may discover, a particular section or two out of various categories like crew

(driver and conductor), checkers/inspectors and administration (booking clerks, time keepers and controllers) may be on too high a side.

A.2.17: Bus Staff Ratio

Some undertakings are able to manage with 5:1 staff/bus ratio while others require 15:1, if we forget about where it reached 40 or 100! Some states have stipulated norms and others have not. Those, which manage with a very low staff ratio and still have high personnel cost, are not catching the spirit, which is reduce personnel cost without reducing emoluments of the staff. But if personnel cost remains high, then there is something hidden. The same is paid higher in terms of overtime. If in order to show low bus staff ratio more buses are purchased, which results in low occupancy, then again the spirit is being flouted.

If, for example, there are 100 inspectors costing Rs. 40,000 a day, who discover a fraud of Rs. 4000 and collect fare and fine to the extent of Rs. 10000, then it is too much a cost to discipline the staff and discourage the public for defrauding.

A.2.18: Fleet Size

While in Andhra Pradesh there is only one corporation APSRTC, which has 20000 buses, in Karnataka, slight smaller in population as well as in area, there are now four corporations, each having 2000-3000 buses. Mahrashtra, which is larger in population but not area, has one corporation with a fleet of 17000 buses, supplemented by BEST and other city corporations by a fleet of 5000. There are corporations with 40-50 or 100-200 buses though those states are small in terms of population and area. Studies have suggested that a fleet size of 300 to 1500 is best from the cost efficiency point of view. Then, for the North East region we may recommend only one corporation. If run viably there is no problem. If run with losses, mechanism of support will have to be devised.

A.2.19: Past versus Future

There is problem with the past performance. There came a time when by certain parameters all undertakings were performing badly. In last ten years, by external pressures they have been compelled to address into their internal weaknesses. Many of them have realized it and are trying to improve. The corporations which have shown some kind of turn-around are monopolies and sizable and in their case the government has also reduced taxes. The corporations in their turn have introduced incentive schemes for reducing material costs. There are many schemes for attracting passengers from non-bus small vehicles as also to get fare in advance. In cases where public corporations do not have monopoly on a route, the occupancy is likely to be low because the corporations

Will the corporations in non-monopolized routes be able to compete with the private sector in their operations? The issue is posed in terms of public sector inefficiency versus private sector efficiency. It has to be remembered that buses of the same category irrespective of ownership are supposed to charge the same fare. Then it is the issue of occupancy ratio on the revenue side and cost of personnel on the other side. It has been pointed out in many quarters that the low cost of operation in private sector is possible because of their infringement of rules, avoidance of tax and lower overheads. Which of the two a larger fleet or a smaller one should have lower overhead? Was it not efficiency in terms of economies of scale that a large monopolistic state undertaking was desired? Why should the Department of Transport be so lax as to relax when it comes to the private sector? If a private sector bus operator earns say 10 percent profit over cost, the public corporation can afford slightly better salary and come out with break-even.

Road (Regional) Transport Authorities and Road Transport Corporation Authorities are often found to work at cross-purposes. There must be some coordination between the two to check illegal operations of the private sector without causing harassment.

A.2.20: Inter-modal Competition/Cooperation

One should finally take note of inter-modal competition as well as intra-modal competition. There could be very little direct competition of road transport with air or water transport. Road services in most instances would be complementary. With railways there exists a real competition as far as medium to long distances are concerned. On the short distances, non-bus transport such as three-wheelers and tempo provide tough competition. For medium distances, shared taxies and medium capacity vehicles (Tata Sumo, Safari, Marshall, RTV, etc) are competitors in many areas. But they are competitors for both public and private sector bus operators. Then it is question of finding out the proper niche and proper size of operation.

The question is when there is no transport and the service is not economic, who would operate? If business principles of commercial viability, though not profit, prevails over social obligations, why should one run on routes which do not give any profit? When a private party is not willing to operate on such routes, which operate on low cost, how will it be possible for a public undertaking when the full costing of running of the bus is done. Unless there is explicit subsidy, in the present circumstances, nobody would operate on such routes, as there is little possibility of cross-subsidisation in view of the fact earning enormous profit for a public sector undertaking in the presence of private sector would be next to impossible.

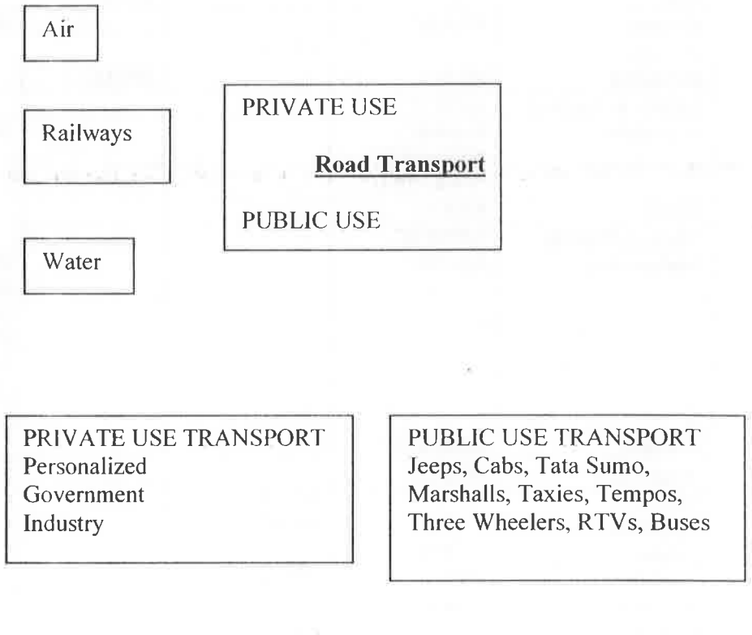
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1. Total number of buses on March 31, 2003 is reported to be 7.133 lakh in the State Transport Undertakings: Profile & Performance 2002-03 published by the Central Institute of Road Transport. The source of information is not given. According to Motor Transport Statistics of India 2001-02 gives the figure as on March 31, 2002 for registered to be 6.688 lakh, which includes omnibuses (1.159 lakh), while, according to the estimates made by the Automotive Component Manufacturers Association of India, the buses are 5.74 lakh.

2. The highest number of buses in the public sector was 1.18 lakh on March 31, 2000. This is the actual number of buses, which are in use—not junked. The number for private sector is derived as a residual. There are no estimates about the actual number in use in the private sector, which means there is no information on the buses scrapped or junked.

3. Once upon a time the Railways feared competition from the road sector. It therefore ran road bus services under its wings in Nizam's State. Later after independence the Railways were represented on the board of the corporation and the zonal railways provided the share of the Union Government. If it is a question of coordination why should they not be on the management of the departmental undertaking? If it is question of competition from big monopolies, why should a monopoly fear another? However, these are the issues of the past!

A.3 Inter-modal and Intra-modal (Road) Transport



A.4: Classification of State Road Transport Undertakings (SRTUs)

State	Corporations	Department	Company	Municipal	No.
Andhra Pradesh	APRTC				1
Arunachal Pradesh		APRST			1
Assam	ASMSTC				1
Bihar	BSRTC				1
Goa			KTCL		1
Gujarat	GSRTC			AMTS	2
Haryana		STHAR			1
Himachal	HRTC		HPTDC		2
Jammu & Kashmir	JKSRTC				1
Karnataka	KnSRTC; NEKnSRTC; NWKnSRTC			BMTC	4
Kerala	KSRTC				1
Madhya Pradesh	MPSRTC				1
Maharashtra	MSRTC			BEST; KMTU; NMMT; PCMT; PMT; SMTU; TMTU	8
Manipur	MPRSRTC				1
Meghalaya	MEGTC				1
Mizoram		MZST			1
Nagaland		NGST			1
Orissa	OSRTC				1
Punjab	PTRC	STPJB			2
Rajasthan	RSRTC				1
Sikkim		SKNT			1
Tamil Nadu			MTC-CNI; SETC; TNSTCC-I-II TNSTCK-I-IV; TNSTCM-I-V; TNSTCS-I-II; TNSTCV-I-III		18
Tripura	TRPTC				1
Uttar Pradesh	UPSRTC				1
West Bengal	NBSTC; SBSTC CSTC		CTCL; WBSTC		5
Andaman & Nicobar		ANST			1
Chandigarh		CHNTU			1
Delhi	DTC;				1
Pondicherry			PTDCL		1
Total	24	8	23	9	63

A.5: Classification of State Road Transport Undertakings (SRTUs) by type.

	Rural (& Inter-city)	Hill Region	Urban	No.
Corporations	APSRTC; ASMSTC; BSRTC; MSRTC; GSRTC; RSRTC; KSRTC; KnSTRC; NEKnSRTC; MPSRTC; OSRTC; PRTC; RSRTC; UPSRTC; NBSTC; SBSTC; (16)	HRTC; JKSRTC; MPRSRTC; MEGTC; TRPTC (5)	CSTC; DTC; MTC-CNI (3)	24
Department	STHAR; STPJB; APRST; ANST (4)	NGST; SKNT; MZST (3)	CHNTU (1)	8
Companies	TNSETC; TNSTCC-I-II; TNSTCV-I-III; TNSTCK-I-IV; TNSTCM-I-V; TNSTC-SI-II; KTDC; WBSTC (19)		CTCL (1)	20
Municipal			AMTS; BEST; BMTC; KMTU; NMMT; PCMT; PMT; SMTU; TMTU (9)	9
Total	39	8	14	61

The Total Revenue (TTR^*) is the sum of the Traffic Revenue adjusted for Passenger Tax (TR*) and the Non Traffic Revenue (NTR).

$$TTR^* = TR^* + NTR \quad (8)$$

The Gross Margin (GM) is the difference between the Total Revenue (TTR^*) and the Direct Cost (DC)

$$GM = TTR^* - DC \quad (9)$$

The Net Cost (NC) is the difference between the Total Cost (TC) and Passenger Tax (PT). Now if we deduct the Net Cost (NC) from the Total Revenue (TTR^*), we obtain the Net Margin (NM).

$$NM = TTR^* - NC \quad (10)$$

A.6.3: Fiscal Impact on the State Budget

Now we turn towards the Fiscal Impact on the State Budget. Here we find out the receipts of both the state exchequer and the corporation. The receipts of the corporation (R_{srtu}) are the sum of the Change in State Capital invested (ΔI) and the Subsidies and reimbursement received from State Government (S).

$$R_{srtu} = \Delta I + S \quad (11)$$

where, the State Capital invested in the SRTU, I, is the sum of the capital and equity contribution by the State Government and the State Debt Outstanding.

The receipts of the state (R_{state}) are the sum of the interest received on the State Debt Outstanding and the Non Passenger Taxes (NPT) received by State Government.

$$R_{state} = Int. + NPT \quad (12)$$

SRTUs incurs a loss on account of concessional travel that it offers to various sections of people such as students, physically handicapped etc., in compliance of the State Government orders. In some cases the SRTUs are fully reimbursed, viz., MSRTC, while in some other SRTUs like the APSRTC, the State Government reimburses only 50 percent of the burden. So incorporating the burden, the Effective receipts by the State Government (ER_{state}) is the sum of the receipts of the state (R_{state}) and the Burden (B).

$$ER_{state} = R_{state} + B \quad (13)$$

Now the Net Flows to the State Government (NF_{state}) are the difference between the receipts of the corporation (R_{srtu}) and the Effective receipts by the State Government (ER_{state}).

$$NF_{state} = R_{srtu} - ER_{state} \quad (14)$$

We now project each of the components, i.e., Change in State Investment (ΔI), Subsidies and reimbursement received from State Government (S), interest received on the State Debt Outstanding (int.), the Non Passenger Taxes (NPT) received by State Government and Burden (B) over the next five years, 2004-05 to 2009-10. The forecasting of each of the components is obtained by using both Semi-Log Regression and Linear Best-Fit Trend. In some of the SRTUs availability of data was a problem; data was available only up to 1996-97. So forecasting based on those figures for 2004-05 onwards, using Semi-Log Regression

would not have given the correct picture. So for those cases, and many others where the data showed a linear trend, we have used the Linear Best-Fit Trend. Then using equation (14), we find the projected figures of NF_{state} for 2004-05 to 2009-10.

A.6.4: Ratios

In our analysis, we have also calculated some ratios, which are discussed below.

The Operating Ratio (OR) is the ratio of the Direct Cost (DC) to the Traffic Revenue adjusted by the Passenger Tax (TR*).

$$OR = (DC/TR^*) \quad (15)$$

The Cost Recovery Ratio (CRR) is the ratio of the Traffic Revenue adjusted by the Passenger Tax (TR*) to the Net Cost (NC).

$$CRR = (TR^*/NC) \quad (16)$$

The Profit Before Interest (PBI) is the sum of the net margin (NM) and the interest paid by the SRTU. On the basis of the PBI, we find the Return On Capital Invested (r_{CI}) and the Return On Capital Employed (r_{CE}).

$$r_{CI} = PBI/K_{int} \quad (17)$$

$$r_{CE} = PBI/K_{emp} \quad (18)$$

A.6.5: Database

In Part-1 of the report we exclusively relied on the Report of the Comptroller & Auditor General of India, Commercial and Civil for various years. However, they did not provide the consistent time series data in respect of many variables for each of the state. We therefore relied on the data complication by the Central Institute of Road Transport, Pune for the Association of State Road Undertakings, New Delhi. In the publication, "State Transport Undertakings: Profile and Performance", for various years, beginning from 1991-92 to 2002-03. Perusing Proforma of the Annual Performance of the SRTU we found the that the interpretation on many item may be different for different SRTUs/ different years, and this got corroborated form the actual figure when we recompiled the data in time series format for different SRTUs. So we decided to collect Annual Accounts & Audit Report and Annual Administrative Report as well as other compilations and presentations on hard copy/CD/Floppy and made our database as consistent as possible under the circumstance. This could be effected for most of the major states. The gaps for a year or two were filled up by arithmetic differences.

SECTION B
STATE-WISE ANALYSIS

B.1
ANDHRA PRADESH

B.1.1: The State

Andhra Pradesh, came into being out of erstwhile state of Madras as a consequence of Andhra State Act 1953 with territorial adjustments in terms of State Reorganisation Act 1956 as well as Alteration of Boundaries Act 1959 (with Madras) and Transfer of Territory Act 1968 (with Mysore). Presently Madras is Tamil Nadu and Mysore is Karnataka. Area wise it is the largest state in the country and in terms of population, with 7.6 crore people, it is the fifth largest following, U.P., Maharashtra, Bihar and West Bengal. The total length of roads in the state has increased considerably over the years. It was 34484 kms. in 1980-81, which increased to 44049 kms. in 1990-91 and in 2001-02 it was 195109 kms.

B.1.2: Public Transport in Andhra Pradesh

In Andhra Pradesh Road Transport is the most important of all modes of transport. There are presently around 35000 buses in public passenger transport in the state (though in an earlier report (1999-2000) by the same source, it was reported as 47000), of which more than 52 percent are in the public sector, numbering around 19300. They are a visible species in Andhra Pradesh. There is only one organization in public sector in public passenger transport in Andhra Pradesh, which is a statutory corporation, known as the Andhra Pradesh State Road Transport Corporation (APSRTC).

B.1.3: Andhra Pradesh State Road Transport Corporation (APSRTC)

Though its origin as a nationalized service may be traced back to Nizam days (1932) when it was started as a unit of the Nizam State Railways – Road Transport Division with only 27 buses, which served as a feeder service to the Railways, the APSRTC came to be organized in the present form only in 1958 with a fleet of around 675 buses. The Act incorporating the APSRTC followed the pattern suggested in the Road Transport Corporation Act 1950. At present about 95 percent of the stage carriage sector has been nationalized and brought under the orbit of the APSRTC.

The APSRTC is the largest in terms of both fleet size (more than 19000 buses) and employment size (around 120000) among the SRTUs not only in the country but also in the world, as is recognized by the Guinness Book of World records. It owns all the buses in the public sector. It displaced the MSRTC from its position of number one in the mid-nineties only perhaps in order to rationalize bus-staff ratio.

To cater to the needs of the passengers effectively, the operation of the APSRTC is divided into six zones, which are further split into 23 regions. It has also established 213 bus depots across the state operating a network of 8678 routes within and outside the state.

It caters to rural and inter-city services and city service in three big cities of Hyderabad, Vijayawada and Visakhapatnam. It is classified as 'rural' as less than $1/5^{th}$ of its fleet plies on less than $1/6^{th}$ of the routes in urban/city areas. Of the total kilometers operated, 85 percent is in the rural sector. Besides it also offers inter-state services on 437 routes, operating more than 900 buses in the neighbouring states of Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Orissa and Goa. It covers a distance of about 60 lakh kilometers everyday.

At present it operates 19294 buses out of which 78 percent are District Ordinary & City/Town Buses. Everyday the APSRTC buses carry about110 lakhs passengers. It has in its employ almost 120000 persons including 700 Officers. The corporation's services are operated to 24336 villages out of the total 28290 villages in the state. Buses are not operated to the remaining 3954 villages either due to the villages due to inaccessibility by motorable roads.

The scheme of hiring private ordinary buses by the corporation was introduced in the year 1979 with a view to meet the needs of the Village Link Transport Scheme and to supplement the fleet of the APSRTC, when it was facing critical financial position besides limited supply of chassis by the manufacturers. Subsequently this scheme was extended to Deluxe and Express type of buses also with a view to prevent clandestine operations by private contract carriages and to supplement the fleet of the corporation. At present the APSRTC is operating more than 1300 buses under the hire scheme.

B.1.4: Capital Structure of the APSRTC

According to the Road Transport Corporation Act, the State Government and the Union Government may contribute capital on terms and conditions mutually agreed upon. It appears that total capital contribution was to be divided between the State and the Union Government in the ratio of 2:1 and the interest to be paid on this capital was to be 8.0 per cent per annum. The contribution of the Union Government came through the Ministry of Railways. Contribution from both the governments stopped after 1988-89, as the APSRTC was a loss-making enterprise. Capital contribution here, till 1991-92 was in the nature of perpetual loan capital, not share (equity) capital. Instead of dividends, the owners used/were entitled to get interest on capital contribution. One could not then talk of debt-equity ratio in a strict sense. However, from 1991-92 onwards, almost all the capital contribution of the State Government was converted into equity capital.

The equity capital provided by the Union and the State Governments is Rs.61.07 crore and Rs.133.19 crore (Rs.127.23 as principal and Rs.5.96 crore as accrued interest) respectively. In the present capital of the corporation of around Rs.200 crore, the share of the State government and the Union Government is same as before, i.e., Rs.133.19 crore and Rs.61.07 respectively, the rest Rs.7.01 crore is interest free capital provided by the state government.

In the total external capital of about Rs.950 crore, the loan capital is almost 80 percent. Loan capital, which used to be provided by the state in the past, is now exclusively provided by the LIC, the ICICI and commercial banks besides in terms of public deposits. During 2001-02 and 2002-03, the APSRTC secured loan of amounts Rs.206.89 crore and Rs.140.05 crore respectively from LIC, ICICI and other Commercial Banks at 12.5 percent irrespective of the period of loan (10 years in case of LIC and 5 years in case of ICICI and Commercial Banks). At present the total outstanding loans to the APSRTC is more than Rs.1000 crore, which includes a state loan of Rs.100 crore procured during 2003-04.

Internal capital consists of variety of reserves (mainly depreciation fund) and accumulated profit. Reserves, which were Rs.1100 crore in 1996-97, increased considerably and became around Rs.1650 crore at the end of the fiscal year 2002-03 and possibly over Rs.1750 crore in the fiscal 2003-04. This now forms a strong base of the corporation's own capital. These reserves are accumulated out of earnings rather than from its profits.

However, now for quite a few years, the APSRTC has been accumulating only losses instead of profits. Though in the mid-nineties the amount of accumulated losses was reducing—obviously because of the profits it was earning, it started leapfrogging from 1998-

99. It ended up with almost Rs.1000 crore in 2002-03. One however does notice that the accretion or decline in accumulated losses is equal to losses incurred/profits accrued in some years but not in other years.

Capital invested— defined as the sum of the external capital and the internal capital (adjusting for accumulated losses) has grown by 100 percent during the decade since 1991-92. At present (2002-03) it is around Rs.1700 crore.

Capital employed defined as the sum of the net fixed assets and the net current assets (current assets – current liabilities) is almost close to capital invested—barring a few years. At the end of 2002-03 it is also around Rs.1700 crore and in 2003-04 probably close to Rs.2000 crore. The net worth is positive and is close to Rs.1000 crore. Thus, the APSRTC has capital invested, capital employed and net worth all positive. This is the solid base for possibility of turning around.

B.1.5: Revenue Analysis of the APSRTC

Revenue depends on performance in terms of occupancy (passenger-kilometers not on kilometers alone) and fare structure. The dichotomy that revenue depends on occupancy (passenger-kilometers serviced) while cost depends on run-size (kilometers performed) has not been adequately recognized by transport economists. For ease of comparison both revenue and cost are divided by the same variable—sometimes by kilometers and sometimes by passenger-kilometers.

It is pointed out that the APSRTC is losing revenue on two counts – stagnancy of fares or rather infrequent revision of fares and decline in the occupancy ratio. But it is not sufficiently well recognized that both cannot be raised at the same time. Let us look at the relationship between fare rise (in rural service) and occupancy in the following table.

Date	Janata	Express	Semi-Luxury	Super-Deluxe	Air Conditioned	Time elapsed	Hike (%)	Occupancy
04.01.93	21		25	30				75
26.07.96	22	27	32	37		3yr 6m	23-30	75
14.09.97	24	29	34	39		1yr 2m	06-07	74
11.11.99	30	35	42	50	60	2yr 2m	20-30	70
03.09.00	32	37	44	52	60	10m	04-06	61
03.02.03	35	40	45	52	60	2yr 5m	02-09	63

It has been noted that there is somewhat inverse relationship between hike in fare and occupancy (ratio). Moreover, on many routes there are running privately owned buses in parallel—allegedly in clandestine manner with the connivance of transport department. Then there are trains on some parallel routes and the railways have of late stopped raising fares. There could be perhaps case for reduction/ stagnation in fare except to the extent of rise in inflation.

It is possible that if privately-owned public buses run on the same route, the demand for APSRTC buses does not remain that inelastic and therefore proposition of hike in fare may not be very good for raising revenue. It is pointed out that the APSRTC faces competition with small vehicles on short distances and with contract carriages—operating as unauthorized stage carriages, not so much with trains. As a result the occupancy ratio is barely above economic threshold of 60 percent. Then, the question is why was the fleet size raised? Why not concede at least short distance travel to the small vehicles, which is in the interest of both the operators and the travelers.

One may note that the APSRTC has also been contributing a larger proportion of its revenue as taxes. During the phase of liberalization, its average rate has increased from less than 9.0 percent to over 14.0 percent. Cost recovery ratio plus tax ratio make cost almost equal to revenue, which implies that if they have not to pay any taxes thy can out of the red. In fact their non-traffic revenue so low that they would be advised to make effort in this regard.

Fare-cost lag is often emphasized in various suggestions made. And there is no doubt that fare should rise to offset rise in cost due to inflation. However, too much emphasis on rise in fare is neither fair nor feasible for raising revenue.

Non-traffic has always been 4-5 percent of total revenue in the APSRTC but in year 2001-02 it has suddenly turned up to 8 percent. Since its financial investments are not high it can be taken as genuine earning in terms of advertisement and rents.

It is a tall suggestion but public transporters have to attract passengers through non-price competition too. Regional transport authorities should have been more careful in granting permits to private parties on lucrative routes. Some bundling of economical and uneconomic routes could also be resorted in public interest. As the private parties are small the feasibility of the proposal needs to be examined. It is alleged that there are also illegal buses in operation, causing a revenue loss worth Rs.500 crores.

B.1.6: Cost Analysis of the APSRTC

It has to be remembered that, other things remaining the same, cost depends on input prices and quantity of inputs consumed. Such costs are cost on fuel and lubricants, tyres and tubes, maintenance and spares. Variable cost can be derived as a function of performance in terms of kilometers operated. Moreover, one has to see if there is some scope in 'fixed' part of operating cost. It is the case of personnel cost.

Though bus-staff ratio is found to be improving and has come down from than 11 in the eighties to less than 7 in 2000-01 and very close to 6.5 in 2003-04. A few corporations, many of them are much smaller in size, are managing with still smaller bus-staff ratio though many of them are having as large a ratio as 15-20 or 30 or even 100! It appears that the modus operandi employed by the corporation was to have larger bus fleet to absorb the surplus staff. Of late, some attrition in personnel size has also started. But they point out that in some of the corporations though the bus-staff ratio has come down the personnel cost has not, implying that the same staff is being extra money for extra run.

As the personnel cost of the total cost is over 40 percent, bringing down bus-staff ratio by 25 would bring down cost by 10 percent. With attrition of this level in bus-staff ratio, the break-even may be reached. Some of the staff-such as of checkers is a useless baggage. The cost of collection of fare and fines is many more time in the case APSRTC – when only wage cost of the checkers is considered; there could be little justification for such a huge cost for disciplining public or crew. Some other new incentive mechanisms would work better.

However, when one finds a continuous fall in occupancy ratio from peak of 80 percent in 1994-95 to around 60 percent in 2000-01, one fails to understand why should the fleet be raised rather than rationalizing schedules to improve occupancy ratio. Should one relate the staff-size to schedules and schedules be adjusted to occupancy as is done in case of civil aviation?

It may be noted that the APSRTC considers only buses for depreciation, not buildings. Considering the depreciation as if on total fixed assets, we find no consistency in the ratio. It

varies from less than 8 percent to around 20 percent. Of course, depreciation depends on the age and use/non-use of the fleet but depreciation amount depends on the formula employed. It seems the undertaking is using historical costs but age in terms of kilometers run. There is no easy way to comment. People suggest that replacement cost should instead be taken into calculation. But then it raises cost and depresses profit.

Since 1997-98 the APSRTC is continuously making losses. The cost recovery ratio, which was almost 1.0 in 1996-96, has come down gradually to less than 0.9. Obviously, costs are rising faster than revenue. Operating ratio curve over time since 1991-92 has a trough of 74 percent and a peak of 90 percent. It should further slide back from present 83 percent by better management of direct cost and better performance in traffic revenue through improvement in occupancy ratio.

It has to be noted that the APSRTC has to pay heavy motor vehicle tax according to class of bus and the slabs of distance traveled but there is no passenger tax on any of its services in the state. Its losses are less than taxes paid. Therefore surplus (or profit) before tax is still positive.

B.1.7: Physical performance of the APSRTC

Physical performance of this undertaking in terms of fuel efficiency and consumption of tyres/tubes/spares is held commendable by many rating agencies. But we have to note that (a) while fleet utilization has been good and improving till 2000-01, and (b) bus-run on road declined a bit, (c) occupancy ratio has drastically come down from peak of 80 percent in 1994-95 to 60 percent in 2001-02 to stay around thereafter. Each percent point would count around Rs.50 crore. There is therefore need for structural adjustment too.

In fact the corporation achieved considerable improvement in its operational efficiency (in almost all the parameters except a few) over the last 7 years. Let us present them in the table below.

Particulars	1996-97	2003-04
Number of Vehicles	16895	191108
Kms. operated (in crores)	182.41	226.65
Fleet Utilisation (percent)	97.68	99.28
Bus Utilisation (km/bus/day)	303	326
Number of Employees	126858	119219
Bus Staff Ratio	7.56	6.53
Occupancy Ratio (percent)	70	60
Passengers Carried (in crores)	470	400
Fuel Efficiency (kms. per litre)	5.02	5.37
Tyre Life (lakh kms.)	1.25	1.66

Reduction in the Bus Staff ratio from 7.56 to 6.53 has reduced the expenditure by about Rs.200 crore per annum at current wage levels. Improvement in the fuel efficiency from 5.02 to 5.37 resulted in a saving of about Rs.72 crore per annum at the current prices. But in spite of these improvements, the corporation has been sustaining losses, the main reason for which is the fall in the occupancy ratio by 10 percentage points. In fact it has been analysed that a reduction of 1 percent in occupancy ratio will reduce the revenue by about Rs.47 crore. Though he manpower has reduced considerably, yet the expenditure went up from Rs.678 crore in 1996-97 to Rs.1273 crore in 2003-04 due to Dearness Allowance, Annual increments and periodical wage revision.

B.1.8: Fiscal Impact on the State Budget

Now is the issue of state exposure. The state provides to its SRTU on an annual basis (i) capital contribution/equity capital, (ii) loan capital, (iii) capital grants, (iv) revenue grants (in the form of subsidy) and (v) compensation for loss of revenue due to its social policy of concessions. The state on the other hand, receives (i) interest on both – capital contribution and loan capital (now only the latter), (ii) repayment of the outstanding loans, (iii) taxes (directly from or indirectly through corporation). The state can also be deemed to be receiving the concession benefit as far as the corporation is concerned. However, APSRTC received only Rs.7 crore interest free capital in1996-97 and Rs.100 crore loan in 2003-04.

The annual receipts of the state from the APSRT corporation have risen during the decade from less than Rs.100 crore in the early nineties to Rs.350 crore in the recent past (to the state exchequers) and around Rs.300 crore now. The annual outflow from the state to the APSRTC is almost nil as the State Governments is not providing any further capital contribution from 1989-90 onwards. Only in 2003-04 it received Rs.100 crore as loans from the state government.

The APSRTC incurs a burden on account of concessional travel that it offers to various sections of people such as students, physically handicapped etc., in compliance of the state orders. The corporation has been foregoing considerable amount of revenue due to this factor because the corporation did not get any reimbursement for this loss of revenue till 2000-01. However, from 2001-02, the Government of Andhra Pradesh has agreed to extend reimbursement up to 50 percent of the value of concessions. However, an amount of Rs.38 crore for 2002-03 and Rs.52 crore for 2003-04 being the balance of subsidy out of the 50 percent is yet to be adjusted. So if we account for the burden (or loss) due to concessions and subsidy granted in lieu/compensation we find that net outflow from the corporation to the state, which was almost Rs.570 crore in 2000-01, is now Rs.360 crore, thanks to partial reimbursement of burden due to concessional travel.

Based on this, we now project the net flows from the state to the APSRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing a huge amount of funds to the state exchequer, to the tune of more than Rs.600 crores. It is to be borne in mind that this is despite the fact that the Government of Andhra Pradesh has agreed to extend reimbursement up to 50 percent of the value of concessions.

	Andhra Pradesh	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	176.89	196.96	217.04	237.11	257.19	277.26
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	176.89	196.96	217.04	237.11	257.19	277.26
4	Interest received by the State (Int.)	0.00	0.00	0.00	0.00	0.00	0.00
5	Non Passenger Taxes received by the State (NPT)	330.81	332.13	333.45	334.77	336.09	337.41
6	Total Receipts by the State from the STRU (R_{state})(4+5)	330.81	332.13	333.45	334.77	336.09	337.41
7	Burden on the SRTU due to Concessions (B)	353.78	393.93	434.07	474.22	514.37	554.52
8	Effective Receipts by the State (ER_{state})(6+7)	684.59	726.06	767.52	808.99	850.46	891.93
9	Net Flow from the State (NF_{state}) (3-8)	-507.70	-529.09	-550.49	-571.88	-593.27	-614.67

B.1.9: Viability of the APSRTC

Now if we take into consideration the above fact of the burden due to concession, it is clear that the APSRTC is not at all a burden on the state exchequer. Well it can be said that the corporation has an accumulated loss of more than Rs.1000 crore. But if the government agrees to fully reimburse the burden (or loss) due to concessions incurred by the APSRTC,

then there is no doubt that the corporation will recover considerably from its present weak financial condition. At the same time, if we calculate the profits of the corporation before taxes, we will see that the APSRTC is earning profits except in two years in the recent past and at the same time maintaining its social responsibilities—largely because interest cost capital provided by the government is nil after 1993-94.

B.1.10: Suggestions

From the above analysis it is clear that except for the accumulated losses the APSRTC is in a much better shape as the capital invested, capital employed and net worth of the corporation are all positive. This is the solid base for possibility of turning around. Furthermore, the main reason for this huge accumulated loss is that the corporation is not reimbursed for the burden due to concessions. So, it is up to the Government to see that full reimbursement is made.

The Government of Andhra Pradesh needs to reduce the Motor Vehicle Tax from 10 percent of traffic revenue on city services and 12.5 percent of traffic revenue on moffusil services to 2 percent and 5 percent respectively, as requested by the corporation. The KnSRTC which was a loss making corporation till a few years back has now staged a turnaround mainly due to the positive measures taken by the Government of Karnataka, like reducing the rates of Motor Vehicle Tax and full reimbursement of burden (or loss) due to concessions. Hence, if the Government of Andhra Pradesh does in fact agree to these requests of the APSRTC, then the corporation is bound to turnaround in the next 2-3 years.

B.2
ARUNACHAL PRADESH

B.2.1: The State

The state of Arunachal Pradesh is situated in the northern most part in the North East India, sharing its borders with Bhutan in the west, China in the north and Myanmmar in the east. Towards the south lie the states of Assam and Nagaland. With an area of 83743 sq km, it is geographically the largest state in the North East. But with a population of only 11 lakh it is the least dense state in terms of population per sq km. With road length of about 15000 kilometers, it has road density less than 0.2 kms per sq km. With respect to population it is not that low: 1500 kilometers per lakh population. However, there are completely inaccessible areas in this state, where help has to be airdropped.

B.2.2: Passenger Transport in Arunachal Pradesh

There are around 665 passenger buses, as per the latest information available, in the state, of which around one-third, numbering 228 buses are in the public sector. This is said to be the story in 1996-97. However, other information suggests that there were no more than 153 buses with the APRST. May be the buses with the government department were added to the public passenger buses of the APRST by the supplier of the statistics as it easy to confuse publicly owned buses for departmental use with publicly owned buses for public transport.

B.2.3: Arunachal Pradesh State Transport

There is only one public undertaking in the public passenger transport. Prior to 1991, the Director of Supply and Transport (DST) was in charge of the overall affairs of the transport services in the state. From November 1991, however, the Transport wing was separated and named as Department of Transport (Arunachal Pradesh State Transport, APRST). It is a departmentally managed undertaking of the Government of Arunachal Pradesh. The APRST operates its bus services in both rural areas as well as inter city services.

B.2.4: Capital Structure of the APRST

The State Government exclusively provides capital contribution of the APRST, though the data is available for only seven years of its existence, 1990-91 to 1996-97. The Government capital has grown from about Rs.15 crore in 1990-91 to over Rs.50 crore in 1996-97. The interest payments by APRST on this capital contribution rose from Rs.1.5 crore to Rs.11 crore. So, the rate of interest that the State transport department is paying to the state government, which was about 10 percent in 1990-91, becomes about 20 percent over a span of 6 years.

From the data available it seems that there are no loans that have been secured by the APRST as it is a departmental undertaking. So the total external capital of the APRST consists only of the Government capital.

The APRST did not accumulate any reserves. Internal capital consists of only the accumulated loss, which was about (-)Rs.10 crore in 1990-91 but became (-)Rs.47 crore in 1996-97. The Government capital of the APRST is thus crowded out by the accumulated losses, leading to a lower value for the capital invested by the APRST, which continued to be around Rs.5 crore.

Net value of fixed assets of the APRST did rise from Rs.6-7 crore to Rs.15 crore in seven years though the number of buses did not change appreciably! Since there is no data available

for the current assets and current liabilities, current net assets can be treated as nil. The capital employed by the APRST is the same as their net fixed assets. Moreover, as no loans were taken by the APRST, net worth of the undertaking can be accepted as equal to the value of net fixed assets.

B.2.5: Commercial Viability Analysis of the APRST

The APRST is however not commercially viable though capital invested, capital employed and net worth are all positive. The total revenue was about Rs.6 crore in 1997-98 while the total cost incurred was about Rs.14 crore in that year. The cost recovery ratio has been only between 40 percent and 60 percent.

With less than 100 kilometers a day, with less than 50 percent occupancy, with high fuel consumption, and with high bus-staff ratio, there is hardly any hope to make it commercially viable. Operating a bus fleet of only about 100 buses on road, the undertaking with a cost recovery ratio of less than 0.5 cannot be a commercially viable proposition. The APRST is losing Rs.8 lakh per bus on an average, which is the cost of the bus.

B.2.6: Fiscal Impact on the State Budget

The undertaking has normally been receiving more from the state (in terms of capital contribution) than did the state (in terms of interest) till 1995-96. Occasionally, the state might be on balance found to have accrued positive sum, as in 1996-97. However the forecasted figure of the net flows to the SRTU is negative, which implies that the SRTU is providing support to the state of about Rs.9 crore. This may not seem to be plausible, as all the other SRTUs in the north-eastern states are a burden on the state and it is unlikely that the APSRT with a fleet of only about 100 buses will be any different.

Based on this, we now project the net flows from the state to the APRST over the next five years, 2004-05 to 2009-10. We find that the corporation is providing some amount of funds to the state exchequer, to the tune of more than Rs.9 crores.

	Arunachal Pradesh	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	17.82	18.93	20.04	21.14	22.25	23.36
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	17.82	18.93	20.04	21.14	22.25	23.36
4	Interest received by the State (Int.)	23.95	25.65	27.34	29.04	30.74	32.44
5	Non Passenger Taxes received by the State (NPT)						
6	Total Receipts by the State from the STRU (R_{state})(4+5)	23.95	25.65	27.34	29.04	30.74	32.44
7	Burden on the SRTU due to Concessions (B)						
8	Effective Receipts by the State (ER_{state})(6+7)	23.95	25.65	27.34	29.04	30.74	32.44
9	Net Flow from the State (NF_{state}) (3-8)	-6.13	-6.72	-7.31	-7.90	-8.49	-9.08

B.2.7: Suggestions

From a rational perspective, it does not seem prudent to continue with the Arunachal Pradesh State Transport. It has become a major burden on the state exchequer. The operational performance of the APRST is far from satisfactory. The occupancy ratio is far below 50 percent, fleet utilization is below 80 percent, bus staff ratio is as high as 12 and fuel efficiency is deteriorating over the years, presently it is just 3 kilometre per litre. Moreover, winding the departmental undertaking would not affect the state economy as they are likely to be a small player in the public transport.

Instead of running a separate transport department in the state, what would be advisable is to have a single transport undertaking for the whole of the northeast as ost of transport is across states and transport between any non-Assam state has to pass through Assam.

B.3
ASSAM

B.3.1: The State

Assam is the most populous state in the North East. It has international border with Bangladesh and Bhutan and is surrounded by as many as seven states: West Bengal, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura and Meghalaya. Assam is one of the large/major states of the country having an area of about 78438 sq. kms and with a population size of 2.25 crore (twice as big as Delhi). It has surface transport (rail and road), water transport and air transport (three airports at Guwahati, Tezpur and Dibrugarh). Yet, it is mainly the road transport, which connects it in length and breadth.

B.3.2: Passenger Transport in Assam

At present total number of passenger buses in this state was more 12500, out of which, only 250 buses are in the public sector. It implies that the share of public sector in the total bus fleet is just 2 percent. It is an improvement over what was the scene three years ago when only 100 and odd buses were on road and the fleet utilisation was only about 40 percent. Now it is more than 80 percent.

The Upper Assam is not well connected by the railways, so the road transport forms the major means of transport for the people here. Though the public sector buses ply in the other parts of Assam – Lower Assam, North and South Assam, yet about 50-60 per cent of the buses ply in the Upper Assam. Guwahati is the nodal point for road transport in the region. Beyond Guwahati rail services are limited, making road network important. Moreover, National Highways NH 31, NH 37 and NH 52 pass through Assam, thereby these buses can run on the interstate routes too. In Assam, it should be noted, routes are de facto completely de-nationalized.

B.3.3: Assam State Transport Corporation (ASMSTC)

Assam State Transport Corporation (ASMSTC) is the only public undertaking in the passenger transport sector in the state. It was started as a Government Department, with only 4 buses to run between Guwahati and Nagaon. Gradually the transport network of the Department was expanded throughout the state of Assam. On 30th March 1970, the Government Department was converted into a corporation and so the ASMSTC came to be established under the Road Transport Act, 1950 with the objective of providing efficient, adequate, economical and properly co-ordinated system of road transport service. The operation of the ASMSTC has been laid out in 8 divisions, and it operates in about 400 routes.

The corporation is presently operating transport services both within Assam and between Assam and other states, with 300 own buses and 1500 private buses on fare share basis the purview of the ASMSTC with its logo on the buses.

B.3.4: Capital Structure of the ASMSTC

It is said that, under the provisions of Road Transport Corporations Act, 1950 the State Government and the Central Government had mutually agreed to contribute to the capital in the ratio of 2:1. However, the Central Government discontinued any addition to its capital contribution to the corporation since 1988-89, citing recurring losses in the ASMSTC

(ASTC) as the reason. In the total capital base of Rs.130 in 1992-93 central government's contribution had just been Rs.10 crore and it never rose. State Government did raise its contribution Rs.120 crore to Rs.134 crore in 1993-94 and to Rs.157 crore in 1994-95. Thereafter no government contributed anything. We may note whatever the stipulated ratio, the central government never contributed more 1 in 10 and today its contribution is 1 in 17.

It does borrow and its outstanding borrowings are mainly from the State Government. The State Government provides both Plan and Non-Plan fund, apart from the Grants-in-Aid and the N.E.C Fund. Others contribute marginally towards borrowed capital. The State Government provides most of the borrowed capital, about Rs.74 crores in 1996-97 to about Rs.170 crores in 2002-03.

Total external capital has risen from Rs.241 crores in 1996-97 to Rs.340 crores in 2002-03. The share of the borrowed capital in the total external capital shows an increasing trend over the years.

However, the corporation went building up some reserves, including provisions, rather slowly but steadily and today it may be in the vicinity of Rs.50 crore.

With repeated losses, as inferred from revenue-cost statistics, accumulated profits have been increasing. They may be in the vicinity of Rs.300 crore. However, a quantum jump in the capital contribution by state government (by Rs.23 crore in one single go) and continued availability of loans, helped capital invested turn positive. Capital invested is pretty high, around Rs.750.

Value of net fixed assets has shown a decline over the years, at par with the drastic decline in fleet size from 900 to 350. From Rs.22 crore in 1996-97 it has fallen to about Rs.12 crore in 2002-03 and so has the net value of buses owned by the ASMSTC.

Focusing on the capital employed, which adjusts value of net fixed assets with net currents assets, capital employed had been positive from 1996-97 onwards though low. However, the total value of net fixed assets kept on declining while the value of the current liabilities kept on increasing, resulting in capital employed to be declining over the years.

Net worth of an establishment is calculated by deducting total loans from capital employed. It has always been negative in the nineties. With net worth being negative though capital invested and capital employed are positive, there are very little chances for it to survive as a commercially viable proposition unless external prop is provided.

B.3.5: Revenue Analysis of the ASMSTC

Revenue collection by the ASMSTC has been significantly lower than the cost incurred by it. The losses have been generally rising through the years. So much so that cost recovery ratio, which barely reached the mark of 40 percent in recent years, touched a now of 15 percent. However last few years there has been signs of improvement in the finances of the corporation with rising revenue and falling costs. This has been mainly possible by hiring buses from the private operators and operating them under its purview and sharing revenue from the private operators on agreed terms. The corporation has insisted that the private vehicles while they will use its facilities and will run with the corporation's licences on their routes, will its logo as well.

Occupancy ratio, an important factor in revenue collection, has fluctuated rather widely. It touched the high of 79 percent in 1994-95 and a low of 54 percent in 1998-99. In 2001-02, it was only 66 percent.

The information on fare side is that fares for ordinary, express, semi-express and night deluxe services were fixed more than a decade ago and they were in terms of per kilometer as 15, 16.2, 20 and 22.5 paise. But they were revised in 1999-00 by 70 percent, in 2000-01 by 17 percent in 2002-03 by 10 percent and in 2003-04 by 5-7 percent. This has now been increased to 35 paise and 48 paise for ordinary and deluxe services respectively.

The poor performance can be attributed to poor conditions of buses and consequent high frequency of breakdown and to non-price competition offered by the private operators. However, low revenue has been attributed by the management mainly to unhealthy competition with private operators, their commitment to operate buses on uneconomic routes in rural and backward areas etc. Out of around 400 routes not even 10 percent earn any profit and 50 percent even meet the material (variable) cost. There could be other leakages of revenue and the line of checking is not strong enough to check the pilferage.

The ASMSTC owns prime lands totaling more than 700 bighas in the towns and cities of Assam. So to undermine these problems, it was agreed upon by the management that the vast infrastructure of the corporation, to be utilized for the revitalization of the ASMSTC by allowing private operators to run their buses using the infrastructure of the corporation on a fare share basis. In fact the corporation is earning much more on the private buses than its own buses, with Rs.35.81 lakh per month on its own buses compared to Rs.119 lakh per month on the private buses.

B.3.6: Cost Analysis of the ASMSTC

Total cost incurred by the ASMSTC has been considered to be on the higher side of about Rs.50 crores, though in recent years it has shown a declining trend. One reason for high cost may be low fuel efficiency, which is just 3.36 kilometers per litre. High Speed diesel (HSD) is the main fuel utilized in the operation of fleet and accounted for 55.60 percent to 62 percent of the total material cost of the corporation during 1994-95 to 1998-99. There was an excess consumption of 23.25 lakh litres of HSD valued at Rs. 2.12 crore during the five years ending 1998-99. However, in the recent past there has been some improvement on this front, and the fuel efficiency has increased to 4.00 kilometers per litre. Improvement is due to new buses.

The corporation also incurred huge personnel cost, of about 50 percent of the total cost. Bus staff ratio, which was around 12-13 in the beginning of nineties, ended with 44 in the new millennium but came down to 33 next year. end of the nineties. Today it is 33—more than 60 percent of the seating capacity of a bus. The excess manpower has also adversely affected staff productivity. It was noticed that the State Government had identified overstaffing vis-à-vis vehicles on road as the main reason for losses suffered by the corporation but surprising not the management.

However, in the recent past the number of employees has been reduced drastically from over 5000 in 2001-02 to below 3000 in 2002-03, about 2261 employees in one fiscal year, mainly on account of the Voluntary Retirement Scheme (VRS), though of a different variety from the Golden Handshake Scheme. The Planning Commission provided Rs.66.30 crores for VRS, which was availed by 1807 employees. The rest of the 254 employees (2261-1807), were retired in the usual manner. Due to this, the corporation was able to save an extra cost of about Rs.10 crores (Rs.80 lakh per month). Today bus staff ratio is around 11.

B.3.7: Physical Performance of the ASMSTC

The productivity of State Road Transport Undertakings depends largely on the efficiency of its vehicles, which in turn is dependent on the age profile of their fleet and the policy adopted

for replacement of phased out vehicles. During 1995-96 to 1999-2000, the corporation had overaged buses ranging from 24.1 percent to 32.1 percent. The average age of the buses in the corporation is about 8 years. The number of over-aged buses used by this corporation was very high leading to high frequency of breakdown and increase in operational cost. The induction of new buses was inadequate to replace the phased out buses and the availability of buses on road was also affected as placement of new buses was delayed due to excess time taken in delivery of chassis to bus body builders.

The number of buses held by the corporation was above 905 in the early nineties. But with the passage of time this figure started decreasing and reached 350 by 2002-03. Buses on road decreased from 500 to 154 during the same period, though in the recent past the fleet utilization has been much better. Fleet utilization had come down from 55 percent during 1996-97 to 27 percent in 2000-01, to rise to 72 percent in 2003-04.

Not even 40 percent buses are on road, which implies that the maintenance of buses was very poor. Because of this poor and inefficient use and maintenance of buses there was a reduction in the effective kilometer from 3.83 crore in the late eighties to 1.12 crore in the year 2001-02. Low utilization of fleet leads to excess/idle deployment of manpower, which involves unnecessary expenditure.

B.3.8: Fiscal Impact on the State Budget

The corporation is heavily dependent on the State Government for its survival. The equity contribution from the State Government has been stagnant for a long time at Rs.157.47 crores. However, it has been providing the ASMSTC with both Plan and Non-Plan Funds along with the Grants-in-Aid and the N.E.C Fund. As a result the increase in the state investment in the corporation has been increasing from Rs.15 crore in 1997-98 to Rs.30 crore in 2002-03. However, the State Government does not reimburse the corporation for the burden that it incurs for concessional travel. Nevertheless, the ASMSTC receives major budgetary support from the State Government.

The State Government on the other hand, receives quite less from the corporation. It receives only the taxes and the interest paid on the borrowed capital, which comes to about Rs.4-10 crores. Even if we incorporate the burden here, which is anyway very negligible, about Rs.2-4 lakh, the receipts of the State Government from the ASMSTC is much less. The net flows from the State Government, therefore is quite substantial at about Rs.10-20 crores.

To gauge the viability of the corporation in the future, we have projected these net flow figures for the next five years, 2004-05 to 2009-10. We find that the corporation would continue to be a burden on the State Government to the tune of Rs.16 to 23 crores annually.

	Assam	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	29.06	31.60	34.15	36.69	39.23	41.77
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	29.06	31.60	34.15	36.69	39.23	41.77
4	Interest received by the State (Int.)	12.85	13.97	15.09	16.21	17.33	18.45
5	Non Passenger Taxes received by the State (NPT)	0.00	0.00	0.00	0.00	0.00	0.00
6	Total Receipts by the State from the STRU (R_{state})(4+5)	12.86	13.98	15.09	16.21	17.33	18.45
7	Burden on the SRTU due to Concessions (B)	0.005	0.006	0.007	0.007	0.008	0.009
8	Effective Receipts by the State (ER_{state})(6+7)	12.86	13.98	15.10	16.22	17.34	18.46
9	Net Flow from the State (NF_{state}) (3-8)	16.20	17.62	19.04	20.47	21.89	23.31

B.3.9: Viability of the ASMSTC

According to the State Government, the corporation would not be able to give the desired service to the public unless it is first made viable. It is maintained that this corporation is becoming a burden on itself. The operation of the corporation was characterized by high staff cost, low fleet utilization, low vehicle productivity and inadequate emphasis on bus checking. These factors have financially crippled the corporation and reduced its operating capacity. Consequently, the corporation is dependent on government assistance.

However, things seem to be turning around for the corporation with the change in the attitude of the State Government. The initiatives taken by the present Government are already showing results. The corporation is now operating private buses under its wings along with its own buses, to make proper use of the infrastructure held by it. The overstaffing problem has been properly dealt with, with the implementation of the VRS and active support from the Planning Commission with a grant of about Rs.66 crores. The capital invested and capital employed are both positive, and the gap between the revenue and costs is also falling. So even if the corporation is dependent on the State Government, there are not enough positive indicators as above, to bring about a turnaround in the corporation.

One major problem though still persists and it is the outstanding dues to its employees and also to the retired employees and different firms who have supplied materials to the corporation. At present, the outstanding dues amount to Rs.150 crores. Not only that, the corporation has a statutory liability of about Rs.65 crores to its employees, i.e., Contributory Provident Fund (CPF) dues to the employees deducted from their salaries and their contribution which were not invested. So, these dues must be paid and regular payment of salaries, which at present is being done, must be ensured.

B.3.10: Suggestions

At the turn of the century some bold steps taken by the transport minister of Assam has somewhat reversed the grim situation in the ASMSTC. The workforce has been reduced by almost 50 percent, mainly due to the fact that employees agreed to avail the Voluntary Retirement Scheme (VRS). But this turnaround has been made possible mainly by moving away from the principles with which the corporation was set up. The main source of earning is the non-traffic revenue, accounting for as much as 25 percent of the total revenue. The traffic revenue collection is precarious, with occupancy ratio barely 40 percent. Moreover, the corporation has been giving its permits to the private operators to ply their buses on the corporation's routes in return for a monthly commission.

However, the corporation must abide by the principles for which it was established, and not just undertake measures blindly to make it commercially viable. But they are in a bind. They are adopting a survival strategy as their survival is at stake. Why did they rise so late? They should first wipe of their debts by using their land assets for long lease and the government should permit it. The condition of the state is itself is precarious. Moreover, which way otherwise a business organisation will learn?

B.4
BIHAR

B.4.1: The State

Bihar, the land of people in the forefront of freedom struggle, was considered one of the best administered states of the country in the early days after independence. With state of Jharkhand carved out in 2000, the state had in 2001 a population size of 8.5 crore—second after Uttar Pradesh, and population density of 880 per sq km—second after West Bengal. Making international border with Nepal, it is surrounded by Uttar Pradesh, Jharkhand and West Bengal.

B.4.2: Passenger Transport in Bihar

As on March 2002, total passenger bus fleet in Bihar was 15365. The share of public sector through the BSRTC was 1540 at the end of March 2003 though only 248 buses were on road. In terms of percentage, the share of BSRTC buses on road would not be more than 1.2 percent while some of them are operating in Jharkhand. Buses in operation today are less than 40 percent of what they were when the departmental undertaking was converted into the corporation but the employees with a number around 5600 are more than twice as many as they were at that time. Thus, the bus staff ratio, which was 6 at the time of conversion (one of the example of efficient administration), is today more than 16.

B.4.3: Bihar State Road Transport Corporation (BSRTC)

Bihar State Transport, which was a department of the Government of Bihar, was converted into Bihar State Road Transport Corporation (BSRTC) in May 1959 under section 3 of the Road Transport Corporations Act, 1950 with the object of providing an efficient, adequate, economical and properly co-ordinated system of road transport service in the State. BSRTC is the only public undertaking in Bihar in public passenger transport.

At the time of its inception, the BSRTC had a fleet strength of about 6000 buses, which at present (2002-03) has reduced to just 248 (buses on road). The number of employees was almost twice ten years ago when the number of buses in the fleet was almost the same but three times the present number of buses was on road. In between there came a time buses on road were 122 and the number of employees was 8684, yielding a bus-staff ratio of 71, more than a bus could seat. Even today it is 31—more than half the seating capacity of a normal bus.

At the time of conversion, 440 buses with 2662 operational staff, which was deployed in Patna, Gaya, Bhagalpur and Jamshedpur Divisions, were handed over to the corporation. The bus-staff ratio was a little over 6.

B.4.4: Capital Structure of the BSRTC

In terms of agreement under section 23(i) of the Road Transport Corporation Act, the state government and the central government were to contribute capital in the ratio of 3:1. It was revised to 2:1 from 1969-70. But today it is around 3:1.

On the amount of capital contribution by both the governments to the BSRTC from late eighties onward it is noticed that there has been a little increase from Rs. 92.50 crore to Rs. 95.21 crore in 1992-93 and to Rs.101.28 crore in 1994-95. The increase of Rs.2.71 crore in 1992-93, it seems, came from the state government but that of Rs.6.08 crore in 1994-95, from

the central government. The state government's contribution (Rs.74.75 crore) has been almost three times more than the central government's (Rs.26.52 crore).

It has been pointed out that central government stopped since 1988-89 giving capital contribution due to non-reduction of losses by the corporation but at the same time it converted its previous capital contribution (Rs.20.45 crore) into equity capital perhaps to relieve the corporation to pay interest on capital contribution. But it actually gave a fresh dose of Rs.6.0 crore in 1994-95—whether as capital contribution or as equity capital.

During the five years 1994-1995 through 1999-2000, it is gathered, the state government had sanctioned loan to the BSRTC mainly for meeting the liability of corporation towards salary and wages of employees, refund of bonds, interest on market borrowings, purchase of new vehicles etc. The amount of loan granted went upto Rs.68.53 crore in 1999-2000. However, details available are scanty and this amount of outstanding loan is found under the heading 'others'.

Loans from commercial banks are shown at Rs.9.36, neither increasing nor decreasing as if interest is being fully paid but not a trace of the principal. Yet it secured a loan of Rs.28.34 crore from the LIC. It has been securing loans from other sources say of about Rs.100 crore in 1998-99.

It is further brought to our notice that the BSRTC has not paid salary and wages to its employees since June 1993 due to shortage of funds. Then, ever increasing figures under personnel cost, are likely to be seen as part of current liability. But how do the crew and other staff, particularly low paid ones, sustain themselves?

Reserves of the BSRTC are only Rs.30 lakh, which remained the same since early nineties.

The BSRTC has been incurring accumulated losses and the amount is increasing every year. The amount of accumulated losses went upto Rs.455.6 crore in 1999-2000 whereas it was Rs.263.52 in the early nineties. Shut down point had reached much earlier.

Net fixed assets of the BSRTC has been very low, the range varying between Rs.7.24 crore (1996-97) and Rs.18.81 crore (1991-92). By the end of the decade, it reduced almost by half.

Net worth which is calculated by deducting total loans obtained from net fixed assets, has therefore been negative since 1993-94 as the amount of loans obtained surpassed the net fixed assets of this corporation. Meaning thereby that loans cannot be repaid with the sale of assets.

Capital invested, which is external capital and own capital adjusted for accumulated profits/losses, has been negative since at least 1991-92 and has increased from around Rs.160 crore to Rs.285 crore in 1999-2000.

Capital employed is also negative. Value of net fixed assets has been less than net current liabilities. This figure differed from the capital invested in the early nineties but is now almost equal to it.

External capital, which is calculated by adding total capital contribution with total loans, shows a steady increase. But it is not yielding anything.

B.4.5: Revenue Analysis of the BSRTC

Revenue earned by the BSRTC has been very low as compared to the cost incurred on operations. From 1991-92, revenue earned ranged between Rs.10.40 crore (in 1998-99) and Rs.31.48 crore (in 1993-94). Entire revenue earned, leave alone operational revenue, cannot

meet running expenses, which are three-four times the revenue. The operating ratio at times crossed four and is currently over two.

Fare structure and occupancy ratio are the two important components of revenue. If we observe the trend of fare structure throughout the decade we notice that, fare was revised upward only in the year 1999-2000, whereas it remained un-revised for all the years. Lack of revision of fares could also be a reason of low revenue earned by this corporation.

Fares are expected to be low as is the per capita income of the state. But one cannot expect so infrequent revision of fares. Fares fixed sometime in the late eighties were last revised in 1999. Four years passed since then. The passengers will not easily swallow a hike of 100 percent even if the hike is made after two decades, particularly when their competitor counterparts in private sector can offer them somewhat lower fare with better quality service in terms of running on schedule.

Date	Ordinary	Express	Semi-Deluxe	Deluxe	Hike in %	Occupancy
	14	17		22		58-77
13.10.99	27	33	37	41	85-95	17

The standard percentage of the passengers per vehicle fixed by the corporation (1999) was 90 percent of the sitting capacity, whereas the actual occupancy ratio has been much lower and ranged from 59 percent to 77 percent during 1991-92 to 1999-2000. But there is a sudden and drastic fall in occupancy ratio is the year 2001-02. It was just 16.55 percent!

The reason for the decline is the occupancy ratio as attributed by the corporation, was permission to run the contract/private buses on the same routes, leakage of passenger revenue by allowing the passengers without ticket, poor checking of buses by checking staff, plying of buses on uneconomical routes and frequent breakdowns of buses.

All these arguments cannot just explain the state of affairs. Blaming other department does no good when the corporation has been in fault when the private operators were not around.

B.4.6: Cost Analysis of the BSRTC

Average rate of interest paid by the BSRTC on external capital works out to be approximately 14 percent per annum. Focusing on the fund of payment of interest we observe that there was gradual decline since 1997-98, which again started increasing and continued to increase upto 25.39 percent is 2001-02.

The amount of tax paid by this corporation has been significantly low, the ranged varying between Rs.0.17 crore to Rs.2.39 crore. If tax as a percentage of revenue is calculated the average tax rate works out to be 4.4 percent, which implies that a very low proportion of the total revenue earned by it is paid as tax.

The BSRTC considers both buses and other assets for depreciation. Average rate of depreciation works out to be 12.8 percent, which is somewhat on lower side.

The difference between cost incurred and revenue earned has been increasing every year. In the beginning of the nineties the amount of cost was double of revenue collected but gradually the difference has widened and cost is almost 3 to 4 times of the revenue. In 1998-99 cost was more than 5 times than the revenue. This is the reason the losses incurred by BSRTC has been increasing each year. The tax cannot be blamed for the mess.

B.4.7: Physical Performance of the BSRTC

Fleet utilization by this corporation has ranged from 33 percent to 7 percent. In the beginning of the decade the percentage of fleet utilization has been somewhere close to 30 but is now close to 7. Declining fleet utilization deserves special attention. The main reason for poor fleet utilization, it is pointed out, was existence of old buses and poor maintenance due to non-availability of funds. Why to make junk before selling them off if maintenance is not possible. With the money from the auction, some of the buses could be maintained.

Bus staff ratio per bus on road ranged between 18.42 to 71.18 during 1991-92 and 2001-02 and is now 31.34.Though number of employees associated with this corporation has been decreasing, number of buses on road also shows a drastic decline throughout the decade.

Decrease in the number of employees may be due to the failure of the corporation to pay salaries and wages. But bus staff ratio is still alarmingly high in the BSRTC.

The corporation had fixed the norm of consumption of HSD oil at 4 kms per litre in case of Leyland buses and 4.50 km. per litre in case of Tata buses. Thus average norm of consumption of HSD oil worked out to 4.25 kms per litre if the running fleet is equally divided. Against this norm, actual run per litre during 1995-96 to 1999-2000 has been about 3.78 kms per litre. Thus approximately, 16.58 lakh litres of oil was consumed in excess of its own average norm leading to avoidable expenditure of Rs.1.57 crore. The main reason for excess consumption of oil was overaged and poorly maintained buses. May be poor quality of roads as well!

B.4.8: Fiscal Impact on the State Budget

The state government, apart from providing loan, has been giving good amount of subsidies for the revival of the corporation. But this has not improved the performance of this corporation. In the year 1998-99 the state government has given subsidy of Rs.66 crore, whereas in the previous many years till 1997-98 the amount of subsidy was Rs. 25.50 crore, Rs. 8.61 crore, Rs. 9.50 crore, Rs. 1.81 crore and Rs. 3.60 crore.

According to the Road Transport Corporation Act, the state government and the central government provides capital contribution to the corporation in a certain ratio, fixed by mutual agreement. The BSRTC were to pay interest at 6.25 percent per annum and 13 percent per annum on capital contribution and loan respectively. But the corporation was not able to repay the installments of principal and interest recovered thereon to State Government.

According to the available data, burden on the BSRTC due to concessions is Rs.1.15 crore.

Total outflow from the corporation to the state, which is calculated by adding total payment of interest, tax and dividend and concession-burden on this corporation, has been significantly low. The highest amount of outflow was Rs. 3.31 core in the year 1993-94. The range varied between Rs. 0.17 crore to Rs. 3.31 crore during 1991-92 to 2001-02

Net flow from state to BSRTC is calculated by adding increase in state investment with total subsidy grant and subtracting outflow from the corporation. According to available data the net flow to the BSRTC by state government in most years is significantly higher than the total receipt from this corporation. In fact the net flow to the BSRTC from the state government for the four years, 1997-98 to 2000-01, has been Rs.50 crore, Rs.66 crore, Rs.55 crore and Rs.10 crore respectively.

We now project the net flow figures for the next five years, 2004-05 to 2009-10. It is clear that the state is not going to receive anything from the corporation in the near future. On the other hand the state provides substantial capital contribution to the SRTU. Thus the net

flows from the state exchequer over the next five years will become almost Rs.8 crores. Since the state of Bihar is linked by good network of railways, it is prudent for the state government not to incur such huge burden and close down the corporation for good.

	Bihar	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	16.70	17.38	18.07	18.76	19.45	20.14
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	16.70	17.38	18.07	18.76	19.45	20.14
4	Interest received by the State (Int.)	12.48	12.53	12.58	12.63	12.68	12.73
5	Non Passenger Taxes received by the State (NPT)	0.14	0.12	0.09	0.08	0.06	0.05
6	Total Receipts by the State from the STRU (R_{state})(4+5)	12.62	12.64	12.67	12.71	12.74	12.78
7	Burden on the SRTU due to Concessions (B)						
8	Effective Receipts by the State (ER_{state})(6+7)	12.62	12.64	12.67	12.71	12.74	12.78
9	Net Flow from the State (NF_{state}) (3-8)	4.08	4.74	5.40	6.05	6.70	7.35

B.4.9: Viability of the BSRTC

The corporation has failed to achieve its basic objective of providing an efficient, adequate economical and properly coordinated system of road transport service in the state due to its poor operational performance, continues losses and serious financial mismanagement.

The corporation has also failed to pay salaries and wages to its employees and to liquidate its other liabilities for a number of years in a row. The poor operational performance and continuous losses were mainly due to uncommonly large number of overaged buses, premature condemnation/ retirement of buses owing to non-repairs, poor fleet utilization and vehicle productivity, decreased effective kilometers, increase in interest liability and surplus manpower.

B.4.10: Suggestions

Though from time to time government constituted several committees and appointed consultants to suggest remedial measures for improving the performance of the corporation but no concrete steps were taken by the state government to implement their recommendations.

The latest revival programme was formulated in 1998 based on which some funds have been released for purchases of new buses, renovation of old buses and for liquidating dues of retired/retrenched employees. Even this assistance from government has not helped to improve the performance. May be the help was inadequate! May be it is a black hole!

In view of the extremely dismal operational performance and poor financial health of the corporation, it is better to close it down. The impact would be calculable but relief from perennial burden would be incalculable.

Private sector and the railways, let us hope, will take care of the passengers. The railways are well laid out in this state.

B.5
GOA

B.5.1: The State

Goa is one of the smaller states of India having only 13.5 lakh of population and an area of 3814 sq. km. Goa was liberated from the Portuguese occupation in 1961. After liberation transportation and communication facilities were developed very fast and are now much better than those in other parts of India in terms of roads, railways and air. The total road length in the state is 8563 kms, which means more than 2 kilometers per square kilometer compared to ½ kilometer in UP. Buses per lakh of population count to 250. Naturally, it is mainly because of tourist attraction. Tourist arrival per year to this state is almost equal to the population size of the state.

B.5.2: Passenger Transport in Goa

Total number of passenger buses operating in the state counted about 3800 at the end of March 2002. Besides, a good number of buses do come from neighbouring states, carrying passengers and tourists. The number of buses with public sector was only 390 and of which only 270 were on road. The number of private buses in terms of possession is thus about 8 times higher than its counterpart in public sector, and 11 times higher in terms of operation.

B.5.3: Kadamba Transport Corporation Limited (KDTC)

In public sector of transportation, there is only one undertaking, which is in terms of organization-form is a government company. It was established in 1980 and named Kadamba Transport Corporation Limited (KDTC), after Kadamba dynasty. In 1988 a subsidiary transport company was also established and which was named as Kadamba Suburban Transport Corporation Limited (KSTCL). Since 1997-98 the introduction of Konkan Railways has greatly affected the operations of the company. It was retrieved a bit by introduction of point-to-point service by inducting mini-buses. However, at the end of the fiscal year, 1998-99 the KDTC took over all the assets and liabilities of the subsidiary transport company, KSTCL. Moreover, the KDTC has written off an amount of Rs.1.10 crore (Rs.0.24 crore as Share Capital invested, Rs.0.84 crore as Trade debts and Rs.0.02 crore as advance) due from KSTCL as "Irrecoverable".

B.5.4: Capital Structure of the KDTC

Total investment in the subsidiary company was Rs.26 lakh in March 1999. Due to non-availability of data on the subsidiary company, the study concentrates only on Kadamba Transport Corporation Limited.

The state government provided initial capital to the KDTC, which has been marginally rising till mid-nineties. Total investment in 1992-93 was Rs.20 crore in KDTC, out of which Rs.16.88 crore was capital contribution in the form of shares held by the State government and Rs.3.12 crore as loan. Gradually, the share capital contribution rose but stopped rising at about Rs.23 crore from 1998-99 onwards. In fact, in 1997-98 the athourised share capital was raised from Rs.20 crore to 25 crore. The entire share capital has been held by the Government of Goa.

The loan component in external capital was less than 1 in 6 in 1992-93 but became less than 1 in 11 in 1996-97. However, in the recent past we observe a tremendous rise in the loan

capital, which now stands at 3/4ths of the capital contribution. In last years KDTC purchased 63 new buses for which loans have been provided by the commercial banks. It has been mainly in the form of Term Loan from the Goa State Co-operative Bank (secured against guarantees issued by the Government of Goa), Corporation Bank and Punjab National Bank, as well as Bills payable under the IDBI rediscounting Scheme and loans from the Petroleum Conservation Research Association (PCRA). Recently the KDTC has also availed a large amount of loans, about Rs.15 crore from the Goa Infrastructure Development Corporation Limited (GIDCL) towards repayment of high cost loan mainly from E.D.C./I.D.C. and Goa State Co-operative Bank as per the sanction of the Government of Goa. The corporation has also stopped availing any loan under the re-discounting scheme of the IDBI. Thus the external capital, which is sum of total share capital and outstanding loans, rose from Rs.20 crore in 1992-93 to over Rs.40 crore in 2002-03.

As per information available, the KDTC did not accumulate any reserves but does maintain funds and provisions or makes investments. There are no general reserves or surpluses. It is only from 2001-02 that the reserves (general and other) are reported, when it was found to be Rs.25 lakh. It was Rs.16 lakh in 2002-03. Such moneys count upto Rs.10 crore now.

The KDTC has been a loss-making government company. The accumulated losses increased year after year. The accumulated losses, which were Rs.3.67 crore in 1992-93, became more than ten-fold in as many years. At the end of 2002-03, it was about Rs.40 crore.

Internal capital, which is the sum of the general and other reserves and accumulated losses, is thus negative but close to Rs.30 crore in magnitude. The result is that capital invested (sum of the external capital and the internal capital) has been oscillating. The saving grace is that it is still positive.

Net value of the fixed assets with the KDTC has risen through fluctuations in the nineties and presently stands at Rs.13 crore, most of which consists of buses.

Capital employed, which is the sum of the net fixed assets and net current assets (current assets minus current liabilities) follow the same trend as capital invested and has been consistently lower than it except for one or two years.

Net worth (the difference between capital employed and loan) follow the declining trend and turned negative by 1998-99. In short, capital invested and capital employed are both positive but net worth stands negative because of heavy current liabilities.

B.5.5: Revenue Analysis of the KDTC

The revenue collected by the KDTC has been continuously increasing and in just over a decade became more three times from Rs.12.5 crore in 1991-92 to almost Rs.42 crore in 2002-03. Till 1997-98 most of the revenue came from tariff sources. Less then Rs.1 crore was collected from non-tariff sources each year. From 1998-99 the share of non-tariff revenue increased from Rs.2.34 crore to Rs.9.30 crore in 2002-03. But important part is that most of non-traffic revenue may consist of government subsidy. For example, out of Rs.7 crore in non-traffic revenue in 2001-02 (and Rs.9.3 crore in 2002-03) Rs.5.62 crore constitutes to be government subsidy (Rs.7,56 crore in 2002-03). In terms of percentage to total revenue it changed from bare 5-6 percent to full 20 percent. Operating ratio often crosses the value of unity but is within the margin of 20 percent points.

However, the introduction of the Konkan Railway train service during 1997-98 has greatly affected the inter-state operations of the KDTC. Due to this, the corporation has been

forced to discontinue certain important major routes such as Mumbai, Mangalore etc., thereby adversely affecting the revenue earnings.

To cope with this problem and to raise the revenue collection in the future, the KDTC has entered into reciprocal agreement with neighbouring state corporations and has started providing qualitative and economic services by inducting more mini buses towards point-to-point services and luxury and semi-luxury buses on the inter-state routes. This was also made possible due to all round support from the government, which has nationalized the triangular routes viz., Panaji - Margao, Panaji – Vasco and Vasco – Margao for the exclusive operation by the corporation. As the corporation has acquired maximum number of buses for operation on the nationalized routes, it is expected to generate maximum revenue in the next few years.

B.5.6: Cost Analysis of the KDTC

Though the revenue collection has been rising over the years, yet the cost incurred by the KDTC rose at slightly faster rate. The total cost incurred by the corporation in 1991-92 was Rs.12.8 crore and became Rs.45 crore in 2002-03. Thus, the cost recovery ratio shows that about 80-95 percent of the cost are being recovered by the KDTC through total revenue.

Personnel cost is rather high in the KDTC. It was more than 50 to 55 percent a few years ago. If one deducts passenger tax it rises a bit further. It is well above 45 percent. However, to reduce the personnel cost the corporation has stopped new recruitment from 1996-97 and for technical jobs it is only availing only apprentices from ITI.

Year	Total Cost	Passenger Tax	Net Cost	Personnel Cost	Personnel cost as % of	
					Total Cost	Net Cost
1997-98	18.18	0.48	17.70	9.03	49.67	51.02
1998-99	23.75	0.36	23.39	13.19	55.53	56.39
1999-00	30.14	0.25	29.89	14.72	48.83	49.24
2000-01	39.21	0.40	38.81	17.78	45.34	45.66
2001-02	42.96	0.83	42.13	19.79	46.06	46.97

Bus staff ratio has been coming down sharply from around 12 in 1996-97 to less than 7 in 2001-02. But this was accomplished by increasing the size of fleet on road. While this has led to improvement in fleet utilization ratio but it was offset by falling occupancy ratio.

One of the policies adopted by the corporation to reduce the costs is to introduce fuel-efficient vehicles. Now it is replacing its old fleet with these new age vehicles on a regular basis.

Interest and taxes are other two components of cost. Interest paid by the KDTC increased over time. But in recent years it increased rapidly, by more than three fold over a span of 2-3 years. This is mainly due to the increase in the loan amount.

Taxes paid by the KDTC varied very widely between Rs.40 lakh and Rs.1.09 crore. The tax paid by the KDTC is very minimal and it is mainly passenger tax. The KDTC does not pay any motor vehicle tax. In fact, in view of the losses, in most of the years, no provision for taxation has been made.

Profit has been negative. In the period since 1991-92 it varied between Rs.85 lakh to Rs.4.37 crore. Even 'profit before interest and tax' has also been negative, exceptions being the years of 1991-92, 1992-93, 1997-98 and 1999-00.

B.5.7: Fiscal Impact on the State Budget

The State Government provides capital base to the KDTC. In the last 5-6 years this is in the form of share capital. In return for the capital contribution the company is liable to pay

interest that accrues to the state at the rate of 6 percent per annum. The KDTC till 1997-98 actually paid less interest than it is liable to pay.

The KDTC does receive subsidies (reimbursement) for the burden due to concessions provided to the various sections of the population as a part of its social obligation. It got Rs.4 crore in 2000-01 and 2001-02 and Rs.5.62 crore in 2002-03. Data on burden on SRTUs due to concessions is available only from 1998-99 except 1999-00 and it is around Rs.1-2 crore for these years. So the corporation is fully reimbursed and not only that it provided more by the state exchequer.

Outflow from the KDTC to the state government is very less compared to outflow from the state. The receipts by the KDTC in the recent past has been in the range of Rs.6-7 crore. On the other hand the receipts of the state has been just about Rs.50 lakh and in the recent past it has trickled down to just Rs.9 lakh. Thus, the state on the balance is providing substantial budgetary support to the KDTC.

The KDTC is not financially sound even though cost recovery ratio is not very low. It is perennially losing and its net worth is negative because it is not honouring its current liabilities.

The projection figure of net flow for the next five years, 2004-05 to 2009-10 is shown in the table below. The state government didn't get anything from the KDTC instead the receipts of the corporation from the state exchequer is more than what it paid in the form of interest and taxes. The net flow from the state government to the KDTC will be around Rs. 8 crore by 2009-10.

	Goa	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	6.97	7.78	8.59	9.40	10.21	11.02
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	6.97	7.78	8.59	9.40	10.21	11.02
4	Interest received by the State (Int.)						
5	Non Passenger Taxes received by the State (NPT)	0.07	0.06	0.05	0.05	0.04	0.04
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.07	0.06	0.05	0.05	0.04	0.04
7	Burden on the SRTU due to Concessions (B)	2.14	2.34	2.54	2.74	2.94	3.14
8	Effective Receipts by the State (ER_{state})(6+7)	2.20	2.40	2.59	2.79	2.98	3.18
9	Net Flow from the State (NF_{state}) (3-8)	4.77	5.38	6.00	6.61	7.23	7.84

B.5.8: Viability

Though fleet utilization is improving, occupancy ratio is falling and is very low. Since bus-staff ratio is also high, there is little scope in its size reduction. The key lies in improvement in occupancy ratio and reduction in staff. Though there is no hard and fast relationship between hike in fare and occupancy when there is so much intra-modal and inter-modal competition—both price and non-price, yet it does provide a little hint. Fares are in terms of paise per kilometer.

Year	Ordinary	Express	Luxury	Air Conditioned	City	Hike in %	Occupancy
1993	18	22		27			
1996	22	24		32		20	70-75
27.10.1999	30		60		40	35	55-65

The company may not be a burden at the moment as the data show but with ever mounting current liabilities—becoming equal to long-terms liabilities, more than one-third of the revenue, it will be difficult to turn it around. But distinct possibility does exist.

Even if it restructured by provision of capital grant of equivalent sum, the issue of declining occupancy does remain a concern. Could it achieve 75 percent occupancy, it can break even. Non-traffic revenue is again not coming from non-traffic commercial activities but from financial revenue. It is already about 25 percent. There is little scope in its further increase and the cost of incremental efforts would be more than the financial gains. So is the case with reducing bus-staff ratio. The only hope is increase in occupancy ratio. Ways to do it have to be devised.

B.5.9: Suggestions

Closing it down means unemployment of 2000 persons. In a state where unemployment is pretty high, despite high per capita income, it would not be a good step. Privatisation, without additional cost to the state exchequer and without retrenchment or lowering of wages, could be considered. Privatisation will not be much distress to people because a lot of transport is available in private sector only. The KTDC cannot influence market behaviour.

B.6
GUJARAT

B.6.1: The State

With the largest coastal line, Gujarat is a western state of the country. Making international boundary with Pakistan, it is surrounded by Rajasthan, Madhya Pradesh and Mahrashtra. The state came into being on May 1, 1960 as a result of bifurcation of the State of Bombay into Maharashtra and Gujarat, including Saurashtra and Kutch, which were merged with Bombay in the wake of reorganization of states in 1956.

With population of five crore, it is one of the major states—seven/eight state above and seven-eight eights below it in terms of population. It has many ports including a major one at Kandla and has a railway network of broad gauge and meter gauge both as well as airports at Ahmedabad, Vadodara, Rajkot, Bhuj and Jamanagar. Yet it is actually the network of roads, which carries most of burden of transportation.

Total road length in the state as on 31 March 2003 is 11.27 lakh km. Bus services have been provided directly to 96.02 percent of town and villages covering 99.35 percent of the state population i.e. these towns and villages have a bus stop within the village limit. In addition, it provides services, within a distance of 3 km. to 2.42 percent of villages covering 0.41 percent of population. Thus 98.44 percent of the towns and villages covering 99.76 percent of population of the state are provided with services directly or within a short distance of 3 km.

B.6.2: Passenger Transport in Gujarat

In Gujarat, there were around 36,500 buses in public passenger transport of which more than 28 percent are in the public sector. In richer states it seems quite a good amount of travel is by contract carriages. Otherwise in a state like Gujarat, where routes for stage carriage are totally nationalized, why should there be so many privately-owned public buses? Bus density (buses per lakh) comes out to be 73.

B.6.3: Gujarat State Road Transport Corporation (GSRTC)

In Gujarat of Bombay, in 1949 the State had started service in Ahmedabad and Nadiad divisions, in Surat and Baroda divisions in 1953 and Palampur (Mehsana) in 1954. By the end of 1955-56, there were more than 700 routes covering more than 20000 kilometers in Gujarat area. Saurashtra, which became a State after the merger of princely states, a Road Transport Department was established by amalgamating transport services some of these states were having. This service had around 50 routes and 3000 kilometers, when it was converted into Saurashtra State Transport Corporation little before (1 April 1960) the merger of the state into Bombay in 1956. Similar was the case for Kutch State Transport Corporation except that it was formed in December 1954), which had 54 routes and more than 3200 kilometers under its operation.

These two corporations were not merged with BSRTC though the states were merged. They were under the control of the Motor Transport Controller of Maharashtra, who headed the Transferred Road Transport Undertakings Department. In Gujarat area the BSRTC had expanded its services in all divisions. In fact the nationalization in Gujarat area was complete by 1958-59. As on 30th April 1960, the BSRTC was operating on almost 1400 routes and covering 45000 kilometers in Gujarat area. Many private routes were taken over by

Saurashtra State Transport Corporation and Kutch State Transport Corporation in their respective areas. While nationalization was almost complete in Kutch, it was only 50 percent in Saurashtra. Before the bifurcation of Bombay state, the public transport scene was:

Corporation	Buses	Routes	Schedules	Route KMS	Nationalisation
BSRTC	1430	1394		44020	100
SSRTC	253	232		11560	50
KSRTC	84	62		3950	100
Total	1767	1688	1285	59530	90

The GSRTC was established on 1st May 1960 along with emergence of the state of Gujarat by merging the part of BSRTC operating in five divisions in Gujarat area, SSRTC and KSTRC.

Today there are two organisations in public sector in public passenger transport in Gujarat, viz., Gujarat State Road Transport Corporation (GSRTC) and Ahmedabad Municipal Transport Service (AMTS). The GSRTC is a statutory corporation at the state level and the AMTS is a municipal undertaking. We are concentrating only on the GSRTC.

The GSRTC is one of the large transport corporations in India in terms of fleet size and employment size. It comes to 6th position in terms of fleet size and 4th in terms of employment size among all transport undertakings in India, signifying a higher bus-staff ratio. The GSRTC serves both rural and urban sectors. Rural and inter-city services are classified together as rural for analytical purposes.

There are around 300 interstate routes, out of which more than 100 routes are operated exclusively by the GSRTC and 150 are operated by other SRTUs. The details are given below:

Sr	Operated by	Name of the State			
		Maharashtra	Rajasthan	Madhya Pradesh	Total
1	Exclusively operated by GSRTC	50	48	09	107
2	Exclusively operated by other States	67	71	12	150
3	Jointly operated by Gujarat and other States	15	14	10	40
	Total	133	133	31	297

Nationalization of passenger road transport service in Gujarat began with formation of the GSRTC in 1960-61. It was 100 percent complete in moufussil by November 1969. Number of routes operated rose from 1774 in 1960-61 to 18507 in 2002-03. In these forty years of its existence, it has been calculated by analysts, that passenger kilometers traveled on the GSRTC buses was more than three times the growth rate of population while those on railways increased by twice of it. The growth rate of population was 2.16 percent per annum. Between these years passenger kms. traveled by railway increased 5.8 times but passenger kms. traveled by the GSRTC buses 17.1 times. GSRTC has also operated inter state buses. The positions of inter state routes are given in the table above.

B.6.4: Capital Structure

The division of capital contribution between state and union governments was almost 3:1 in 1991-92 and has moved closer to 3.6 to 1 by 2002-03. The total capital contribution, which was below Rs.400 crore in the early nineties, is now a little more than Rs.550 crore—of late, solely due to the contribution of the state government. Capital contribution along with interest of state govt. and central govt. has been converted in to equity capita in 1995 and 1996 respectively. The equity capital of state govt. at the end of the year 2003 is Rs. 464.57 crore.

Where as central government equity is Rs. 106.27 crore and capital contribution of Rs. 17.86 crore in the same year for which the central government got interest of Rs.1.12 crore. in 2002-03.

The loan capital to contribution capital ratio was fairly stable throughout 1991-92 to 1997-98 and was barely 1:7 or 1:8. But 1999-2000 onwards the loan component in external capital jumped to more than 6-fold because of high increase in loan capital in the year 1999-00. The GSRTC issued debenture of Rs.350 crore in 1999-2000 and purchased 3330 new buses while discarding 1200 old buses. Still next year it purchased 700 new buses and discarded 1800 old buses. Because of total revamping of bus fleet, for which only loan capital was the answer, the ratio is now 8:9.

Loan capital has been provided to it through debentures, and by commercial banks and the LIC. It is not clear why loans against banks on 31 March 2000 are shown just to be Rs.40 crore (and Rs.32 crore still next year) while the corporation is also reported to have borrowed Rs.350 crore during the year for purchase of buses. However, debentures are shown to be Rs.352.2 crore in 1999-00 and in 2002-03 it is 556.24. Let us believe that the banks and the LIC obliged the corporation by subscribing its debentures. The period of loan is mentioned as seven years but rate of interest is not indicated.

Throughout the nineties and recent past, the GSRTC has been accumulating losses, which have been increasing without let up and reached Rs.1900 crore in 2001-02. But after then the accumulated losses went down to about Rs. 1000 crore in 2002-03. This may be due to waiver of payments by state govt. However, its various reserves (excluding depreciation) went on accumulating which peaked in 1997-98 but then the reserves have declined and their level is half the peak slowly to build up again. After 1999-00 the reserves increased continuously and the amount is Rs. 485 crore in 2002-03.

Capital invested, which was increasing till 1997-98, suddenly started dropping and became negative in 2000-01. Obviously, because of the huge accumulated losses in 1999-00 and 2000-01. In 2002-03 the accumulated losses drop a lot and the capital invested is positive and figure is amounting to over Rs.700 crore. Capital employed followed the same path as capital invested. It shows that net current liabilities are far higher than the net value of fixed assets for 1999-00 and 2000-01. But in 2002-03 current liability is Rs. 390 crore. In the years they are not reported they have been accepted as zero or arrived at as the difference between total assets minus total liabilities. Stock net worth total net worth are now positive.

B.6.5: Revenue Analysis of the GSRTC

What is causing so much of loss in a corporation? Sluggish rise in revenue or steady and staggering rise in cost. However GSRTC had a long history of making losses. But let us look at the components of revenue and cost.

Total revenue of the corporation has gone up. In 1991-92 the total revenue was only Rs. 516.11 crore, which increase to Rs. 1308.24 crore during 2002-03. Over the years the non-traffic revenue is almost constant, it is traffic revenue, which increased three fold. During the recent years operating income has gone up mainly due to provision of reimbursement to be received from Government. The Government has now accepted that the GSRTC has to be compensated for the losses it suffers on account of social obligations such as allowing concessional travel to various sections such as students, operation on un-economic routes, city service operations etc.

The following table shows the components of operating and non-operation revenue of GSRTC for the year 2001-02 and 2002-03. It is clear that non-traffic revenue in the case of

GSRTC is too low. There is no rental income and advertisement income is also very low. There must be great scope for advertisements in a state like Gujarat.

	2001-02		2002-03	
	Actual amount (Rs in cr.)	% of the Total Revenue	Actual amount (Rs in cr.)	% of the Total Revenue
1. Operating Revenue	1169.31	95.32	1271.78	97.21
Revenue from Passengers	996.82	81.26	1106.25	84.56
Reimbursement from govt.	156	12.72	143	10.93
Contract Service	10.02	0.82	16.4	1.25
Passenger Luggage	3.53	0.29	3.55	0.27
Parcel and Postal Mail service	2.91	0.24	2.48	0.19
2. Non operating Revenue	57.35	4.68	36.46	2.79
Advertising charges	1.61	0.13	2.43	0.19
Sale of scrape material	10.74	0.88	5.75	0.44
Interest	2.08	0.17	1.93	0.15
Subsidy of handicapped	7.02	0.57	7.42	0.57
Others	34	2.77	18.87	1.44
Total Revenue	1226.66		1308.24	

B.6.6: Cost Analysis of the GSRTC

Expenditure is the other important aspect, which should attract our attention. It includes personnel cost, material cost, depreciation, interest and taxes paid by the corporation. Total cost of the corporation over the years increased continuously from around Rs. 500 crore to over Rs.1600 crore during 1991-92 to 2001-02 but to come down to around Rs.1500 crore the next year.

Personnel cost in all transport undertaking is the most important component. It is around 40 percent of the total cost when cost is including a heavy passenger tax. It once crossed the mark of 44 percent. However, in this state passenger tax forms a sizable proportion of total tax. Further, though it is a fixed mark-up on the basic fare, this is a charge collected on behalf of the state government. When this component is excluded from the cost, one finds that personnel cost constitutes to be a very high proportion of the cost; it reaches 50 percent in 1999-2000—may be because of payment of arrears. See the table below (Rs. Crores):

Year	Total Cost	Passenger Tax	Net Cost	Personnel Cost	Personnel Cost as % of	
					Total Cost	Net Cost
1997-98	1072.80	129.35	943.45	457.05	42.60	48.44
1998-99	1106.12	144.55	961.57	428.05	38.70	44.51
1999-00	1432.57	162.93	1269.64	633.64	44.23	49.91
2000-01	1566.51	173.44	1393.07	589.35	37.62	42.31
2001-02	1610.17	168.86	1441.31	606.29	37.65	42.07
2002-03	1496.24	161.04	1335.20	573.64	38.34	42.96

Personnel cost is a function of emoluments of staff and size of staff. Bus staff ratio has always been around 7.5 in the GSRTC. It needs to be reduced to 5; that would save cost quite a bit, say 12-13 percent at most but it would not be enough to wipe out the deficit, which is say 25 percent. Nobody can dare talk of reduction in emoluments lest it should damage the revenue/cost efforts.

After personnel cost, material cost is the second most contributor of operating expenses of the GSRTC and major components of material cost are fuel, tyres and tubes and spare parts. Nearly 83 percent of the material cost is of fuel cost. In the year 2002-03 the material cost of

the corporation is Rs.485.65 crore. But there is little, which could be done because fuel consumption is quite good: 5.3 KMPL.

The GSRTC takes into account for depreciation both buses and other assets. The average rate of depreciation works out to be 9.4 of the revenue and a little lower of the cost.

The GSRTC pays interest to the central government Rs.1.116 crore on its loan contribution of Rs.18 crore, which comes out to be around 0.6 percent per annum. It does not seem to be paying to the state government on the latter's contribution to the base capital. The average rate of interest paid on all external capital works out to be just above 11 percent per annum. However in terms of its outgo as part of the revenue comes out to be only 6 percent.

It is contributing a larger proportion of its revenue as taxes. During his entire period, its average rate has fluctuated between a little more than 14.5 percent to about 17.5 percent. In Gujarat, there are two important taxes: motor vehicle tax and passenger tax. Bus passenger tax accounts for more than 97 percent of total tax paid. In fact, passenger should neither be included in revenue nor in cost; passenger tax is not a part of the corporation's money. The passenger tax taken at the rate of 17.5 percent mofussil services and at the rate of 1.0 percent for city services. Non-passenger taxes are very low, whether as a proportion of revenue or cost.

Cost recovery ratio was always less than unity but about 80-90 percent in early 90s and has come down to 70 percent in late 90s. It is less than seventy percent in 2001-02 despite renewal of fleet.. The obvious conclusion is that cost has been rising faster than revenue. It increased to 83.19 percent in 2002-03. This attributes to increase in revenue and decline in cost.

B.6.7: Physical Structure of the GSRTC

The average number of buses held by GSRTC during 2002-03 is 9097 and the average number of buses on road is 7793. The percentage of vehicle off-road increased to 12.43 from 9.21 of the previous year. This is largely due to non-purchase of new chassis for last three years and non-availability of tyres and spare parts during the year 2002-03. According to the administrative report 2002-03, 25 percent of buses held by GSRTC are over aged buses.

It is a bit surprising that despite a renewal of fleet through addition of more than 4000 new buses and retirement of more than 3000 old buses, the fleet utilization has not improved. It continued to be the same around 85 percent. More surprising is the fact that the vehicle productivity (kilometers per bus per day) has fallen back to 358 kilometers after rising a bit. Is there no further scope for increase in the run in Gujarat?

Still more surprising and poignant is the fact that the occupancy ratio of its buses is continuously coming down. Declining from a high of 78 percent in 1996-97 to 65 in 2000-01. It has further plummeted to just 53 percent in 2001-02 —less than the worst achieved in its history (54 percent in 1993-94). This is said to be due to the Godhara violence and its aftermath. But during 2002-03 there is marginal recovery in occupancy ratio to 67.18 percent.

Fares have recently been revised in the GSRTC on 28.12.2000 and again on 22.02.2003. The change in fare by GSRTC is formula based. The corporation can change the fare structure for different types of service of buses according to hike in cost. Using it one finds that there was marginal increase from Rs.14 to Rs.15 for ordinary bus service for a distance of 60 kilometers (10 stages of 6 kilometers each). This fare is equivalent to 25 paise per kilometer for ordinary service. There are several classes of service. The rise is not more than 10 percent in year. There was revision again in 2001. The recent history of fares in terms of

paise per km is given below along with occupancy ratio, for perusal. But important point to note is that if the original gap is not corrected, formula based rise will keep the gap intact.

Date	Ordinary	Express	Semi-Luxury	Luxury	Deluxe	Air Cond.	Hike in %	Occu-pancy
18.04.93	19.17	19.72	26.67	33.33				54.0
15.05.95	15.00	16.67	19.17	25.00			(-)15-25	73.9
19.10.99	30.00	47.50	57.50	65.00	68.00	71.00	100-250	65.4
28.12.00	33.00	50.00	60.50	68.00	71.00	74.00	5-10	65.4
22.02.03	36.82						10-12	67.2

Note: Last two rows are fares calculated for 30 kilometers divided by 30.

Downward revision raised the occupancy ratio and upward even after 4½ years reduced occupancy to some extent. But there is no clear indication of relationship between increase in fare and occupancy ratio. The decrease in occupancy ratio from 65 percent in 2000-01 to 53 percent in 2001-02 is due to Godhra incidence. It may then also be non-price competition from private operations on lucrative routes. However, these buses are officially running as contract carriage but actually operating as stage carriages. It has been pointed out that the GSRTC is facing competition with small vehicles in short distances and with contract vehicles and trains in long distances.

B.6.8: Fiscal Impact On the State Budget

The GSRTC is getting financial support from the state government through capital contribution, loans and subsidies and grants. Focusing on exposure of this corporation to the state, capital contribution by the state shows intermittent increase. The amount contributed has risen from Rs. 290 crore to Rs.465 crores during this decade since 1991-92. So the increase in state investment both capital contribution and debt is ranged between Rs.1.5 crore to 36 crore.

State government is also getting certain amount from the GSRTC in the form of taxes and interest. Taxes paid by this corporation to the state shows a marginal increase throughout the period since 1991-92.It increased from around Rs.7 crore to Rs.10 crore. The passenger tax increased from around Rs.80 crore in the early nineties to Rs.180 crore in 2000-01. After then there is a little fall. The reason for fall in it in 2002-03 is fall in the occupancy. Not only the corporation but also the state exchequer is losing on this count. In fact tax outgo involves a substantial proportion of passenger tax, which is collected by the corporation on behalf of the state. Yet it is through the corporation. Non-passenger taxes are hardly Rs.10 crore per annum. But we have considered only non-passenger taxes in our exercise; for passenger tax is paid by the corporation to the state on behalf of the passengers, who avail the service, not from its revenue.

This corporation has paid interest to the state government only twice in recent history in the years 1993-94 and 1994-95. The amount was Rs.17.64 crore and Rs.18.33 crore respectively. So for these two years total receipt by the state from the GSRTC is high.

Net flow (which is difference between total receipts by GSRTC and total receipts by the state from the corporation) from state to the GSRTC figure shows a mixed picture. It appears from the data in our possession that from 1997-98 the GSRTC getting reimbursement of the loss due to concessional service. The net flow from the state is only occasionally positive and that too in investment form.

Based on the available data the projection for 2004-05 to 2009-10 is given in the table below. It shows the budgetary implication or net flow from the state budget to GSRTC for

the projected period is positive. This means that the corporation's receipts from state government is higher than what it will pay to the state exchequer in the form of interest and taxes. In other words, over the next five years, over which our projection is based, the corporation will be a burden on the state exchequer, to the tune of Rs.12 crores.

	Gujarat	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	26.80	27.81	28.82	29.83	30.84	31.85
2	Subsidies/Reimbursement from the state (S)	217.58	243.60	269.62	295.65	321.67	347.69
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	244.38	271.41	298.44	325.47	352.51	379.54
4	Interest received by the State (Int.)	0.00	0.00	0.00	0.00	0.00	0.00
5	Non Passenger Taxes received by the State (NPT)	9.63	9.66	9.69	9.72	9.75	9.78
6	Total Receipts by the State from the STRU (R_{state})(4+5)	9.63	9.66	9.69	9.72	9.75	9.78
7	Burden on the SRTU due to Concessions (B)	222.98	249.91	276.84	303.76	330.69	357.62
8	Effective Receipts by the State (ER_{state})(6+7)	232.61	259.57	286.53	313.49	340.45	367.40
9	Net Flow from the State (NF_{state}) (3-8)	11.77	11.84	11.91	11.99	12.06	12.13

B.6.9: Viability

The GSRTC has been a loss-making corporation throughout the nineties. But in recent years the net margin of the corporation decreased to (-)Rs.188 crore, which is equivalent to amount of tax paid by the corporation to state government. If the corporation has not to pay it to the government, there would be break even. Since the state is totally nationalized, the tax could be absorbed in the fare.

The occupancy ratio has also increased of late. So has the revenue. The number of employees over the years has decreased though not the bus-staff ratio. However, the GSRTC did not offer option for voluntary retirement scheme but at the same time it did not fill up the post vacated by retirement. The personnel cost of the GSRTC is very large, so if some employees will take VRS then the corporation will be in a better position.

B.6.10: Suggestions

Privatisation is an option but it didn't fulfill the objective of social welfare. Buses of the GSRTC connect almost all towns and villages of Gujarat. But if we privatize this sector then the private operators will operate their buses on the profit making routes only. Gradual phasing could be an answer. Providing subsidies to private sector on uneconomic routes could be another option.

B.7
HARYANA

B.7.1: The State

Covering Delhi from three sides and making border with Punjab in the north, Rajasthan in west and Uttar Pradesh in the south, the state of Haryana has a population barely over 2.1 crore. It has both rail and road but no airport of its own. Chandigarh—a union territory, is its capital and has an airport. Indira Gandhi International Airport serves it too.

B.7.2: Passenger Transport in Haryana

In Haryana, the total fleet of public passenger buses recorded in 2000-01 was 5120. In the public sector the number was 3474. Thus around 68 percent buses were in the public sector. With some rise in number of buses with private operators, one can expect even today around 60 percent public buses operating in the public sector.

B.7.3: State Transport of Haryana (STHAR)

In Haryana there is only one public undertaking in road transport. Transport Department of the State of Haryana (STHAR) manages the operations of this commercial undertaking, commonly known as Haryana Roadways.

B.7.4: Capital Structure of the STHAR

The capital contribution of STHAR is provided entirely by the State Government. For the four years for which data is available, 1994-95 to 1997-98, the capital contribution of the State Government was Rs.300 crore. In 2002-03, it increased to Rs.350 crore. The data for the years 1998-99 through 2001-02 and for the years before are not available.

Haryana Roadways obtained loans almost wholly from the IDBI. The total loan outstanding against the Haryana Roadways was Rs.83 crore in 1996-97 but in 1997-98 it was Rs.65 crore, reflecting the fact that some amount of the loans were either repaid or waived by the Government. By the end of 2002-03, the loan outstanding against it was just below Rs.100 crore.

On the internal capital structure, Haryana Roadways is found to have accumulated reserves (general and other) to the tune of Rs.180 crore by 1997-98, which increased to Rs.190 crore by the end of 2002-03. The other component of internal capital, accumulated profit/loss crowds out the contribution of external capital and general and other reserves. Though the accumulated losses were only about Rs.50 crore in 1995-96, they rose to Rs.242 crore in two years by 1997-98. In fact at the end of 2002-03, the accumulated losses of the Haryana Roadways were almost Rs.500 crore.

As such, the capital invested in Haryana Roadways which was Rs.450 crore in the previous three years, fell to Rs.300 crore in 1997-98. Still it is positive and large. At present it has dropped to almost half the level as in 1997-98, about Rs.155 crore.

Turning towards the other side, we find that the value of net fixed assets of the STHAR is around Rs.300 crore. For the three years, 1994-95 to 1996-97, capital employed by the STHAR was the same as the net value of fixed assets basically because net value of current assets was not available. However in 1997-98, though net fixed assets rose to Rs.380 crore, capital employed was still at the previous level of Rs.300 crore. This was because the net value of current assets was (-) Rs.90 crore in 1997-98. For the years where we did not

information, we have simply put the difference between total assets and total liabilities as the net current liabilities. In fact in many cases the separation between the state and its commercial operation is not maintained and therefore the data is also not maintained.

B.7.5: Revenue Analysis of the STHAR

Turning attention to the financial performance of the STHAR, it is found that the cost recovery ratio has continuously been lower than unity, even if marginally, for quite a few years and was lowering. But since the new century it is recovering. One needs to look at cost and revenue both. It has but to be noted that operating ratio in this undertaking is not very high though it is rising.

The revenue collection of STHAR has increased considerably over the years, from only Rs.240 crore in 1991-92 to almost Rs.600 crore in 2002-03. However if we adjust it for the passenger tax, it comes down to about Rs.450 crore. Which means passenger tax is pretty high. Many people point that it discourages other SRTUs to operate its services in Haryana whereas Haryana Roadways can operate and does operate in all neighbouring states.

As far as the non-tariff revenue is concerned, it accounts for only 3-7 percent of the total revenue.

B.7.6: Cost Analysis of the STHAR

In Haryana, personnel cost accounts for 32-33 percent of the total cost, which is admittedly lower than the all India average and most of the states. But actually there two types of states: one type not levying passenger and the other type levying it. If passenger tax is made cost to the undertaking, the personnel cost component as a proportion depresses. One should try out the proportion of personnel cost in the cost that excludes passenger tax in its calculation for the very fact that it is an indirect tax levied on passengers and only collected by the roadways. One finds from the table below that it is almost 10 percent points more, which is high, if not very high.

Year	Total Cost	Passenger Tax	Net Cost	Personnel Cost	Personnel cost as % of	
					Total cost	Net cost
				184.32		
1999-00	542.53	110.99	431.54	183.56	32.17	42.54
2000-01	570.61	121.13	449.48	189.11	33.14	42.07
2001-02	582.63	123.95	458.18	189.26	32.48	41.31
2002-03	624.29	128.41	495.87	191.93	30.74	38.71

However, it maintains a low bus-staff ratio, which is below 6 and falling every year. With low bus-staff ratio, high proportion of personnel cost implies that the staff is well paid. It is one of the rich states and emoluments are likely to be better. If the bus-staff ratio is improved marginally to 5, then the personnel cost can be reduced by that percentage. And thereby cost by 4-5 percent.

The fuel efficiency of the bus fleet in Haryana Roadways is around 4.4 kms. per litre, which is pretty high. On Haryana roads with good bus fleet it should not be difficult for the STHAR to improve it to 5 kilometre per litre and thereby knocking the cost down by 3-4 percent.

Taxes constitute a big proportion of the cost incurred by the STHAR. Passenger tax constitutes 90 percent of the total tax paid to the state. In fact, fare is inclusive of passenger tax. Passenger tax is 60 percent of basic fare, which elsewhere is less than 20 percent, if it is at all there. Thus, a fare of 40 paise includes an element of 15 paise, that is 37.5 percent. That

is why the tax proceeds, as a percentage of revenue, are around 30 percent in Haryana, which is very high.

Therefore, if the Government of Haryana decides on some other form of tax collection and allows the fare to absorb this element, then the STHAR will be a big gainer in terms of revenue. Obviously, the costs will fall considerably improving the viability of Haryana Roadways. This is one view. The other view that reduction in tax, implying reduction in fare, may improve occupancy ratio considerably.

B.7.7: Physical Performance of the STHAR

As far as physical performance of the STHAR is concerned, fleet size is gradually decreasing from 1996-97/1997-98 when the STHAR had 3800-3900 buses in the fleet. The highest number of buses on road was 3718 in 1997-98. The largest size of personnel was in 1996-97 with 21341 employees. At present (2002-03), the average number of buses held by it is 3474. The number of employees has also come down, to 18800.

Fleet utilization in the STHAR ranges between 95-97 percent, implying that most of buses held by the STHAR are on the road. Of late, it is improving. There is also an improvement in vehicle productivity (measured in terms of kilometers per bus per day) in recent years.

Occupancy ratio had reached its highest of almost 90 percent in 1995-96 but plummeted to just 55 percent in 1999-00. However, it is re-bouncing and in couple of years since then it has improved to 72 percent. One major reason for the sharp fall in occupancy ratio seems to have been the sudden rise in the fares in Haryana Roadways. One can find a relationship between hike in fares and fall in occupancy ratio. See Table below:

Date	Ordi-nary	Exp-ress	Semi Deluxe	S/Lux.	A/C	Rise (%)	Gap yr-m	Occu-pancy
01.04.92	19.33	24.29	38.64	28.98				
08.10.93	13.58	16.98	27.16	20.37	47.57	-30	1- 6	84.75
10.07.96	17.00	21.25	34.00	25.25	59.50	+25	2- 9	76.60
01.07.97	22.10	27.62	44.20	33.15	77.35	+30	1-0	68.50
01.05.00	40.00	60.00	80.00		140	+81	2-10	67.30

Note: In 1992 the passenger tax was 30 percent and thereafter 60 percent of basic fare

Making up for the time lost in revision of fare is not a prudent strategy. For the passenger, it is fare yesterday and fare today. The rise has always to be gradual. The rise has impacted occupancy badly each time there was jump in fare. However, impact in Haryana is not that bad. Partly the Haryana Roadways are a big player even not monopolist. The fare in the neighbouring states of Punjab, Delhi and Rajasthan may not be very low. As distances are not long within the state, their operation is not state confined.

The age of bus fleet in STHAR is in accordance with the norms laid down by ASTRU. The buses of Haryana Roadways are replaced periodically so that efficiency of the fleet is maintained.

B.7.8: Fiscal Impact on the State Budget

Now we take a look at the fiscal aspect of the STHAR in relation to the State Government of Haryana, and try to decipher whether there is any impact on the budget of the State Government. State investment consists of only the capital contribution by the State Government, as the latter does not provide any loans to Haryana Roadways. Therefore the interest that is paid by STHAR to the Haryana Government is the interest on capital

contribution. The rate of interest on capital contribution comes to about 4 percent per annum. No subsidies are provided. As such, there is no major budgetary support from the State Government.

This departmental undertaking obtains loans from other sources, primarily from the IDBI. However in 1995-96, it obtained loans from the SIDBI also. This is quite surprising as the same customer obtains loan from two different financial institutions opened for different purposes. Nonetheless, loans were obtained by STHAR mainly to finance the purchase of new buses. The STHAR was provided loans by the IDBI and the SIDBI, the amount varying between Rs.30-40 crore. Though the period of loans was the same, that is 5 years, yet the rate of interest varied between 17-20 percent per annum, which is very high these days and perhaps ever.

One point remains unclear. If the total interest paid by Haryana Roadways is the same as the interest received by the Haryana Government from the former, then it implies that Haryana Roadways has been a defaulter regarding interest payments on the loans provided by the IDBI and the SIDBI. But this is what the data say. Though it is quite common for public sector undertakings in India not paying dues to the Government, but the case of these undertakings not paying dues to the banks is not so common. Moreover, it is a part of the government.

The total receipts of the State Government from STHAR comprising of interest and tax payments conjures up a considerable amount. The total receipts of the State Government were between Rs.26 crore and Rs.62 crores. The transport undertaking bears some burden due to concession in fare offered to certain categories of passengers, which is pretty high. But this is notional between two wings of the same department. Without including passenger tax of Rs.130 crore, the net flow from the undertaking to the state would be Rs.150 crore and contribution in terms of concessional travel is again Rs.80 crore. If full reimbursement is shown in books, the flow to the state will rise to Rs.230 crore.

Based on this, we now project the net flows from the state to STHAR the over the next five years, 2004-05 to 2009-10. We find that the corporation is providing a huge amount of funds to the state exchequer, to the tune of more than Rs.250 crores. Tax and interest paid by the corporation is substantially high and with that concessions provided by the corporation to various segment is quite high. On the other hand the State Government didn't reimbursement for the burden. Therefore the effective receipts by the state is very high and the net flows to the SRTU is negative.

	Haryana	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	6.33	6.27	6.22	6.17	6.11	6.06
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	6.33	6.27	6.22	6.17	6.11	6.06
4	Interest received by the State (Int.)	18.89	19.58	20.26	20.95	21.63	22.31
5	Non Passenger Taxes received by the State (NPT)	47.04	52.58	58.12	63.66	69.20	74.74
6	Total Receipts by the State from the STRU (R_{state})(4+5)	65.94	72.16	78.38	84.61	90.83	97.05
7	Burden on the SRTU due to Concessions (B)	107.98	118.07	128.17	138.27	148.37	158.47
8	Effective Receipts by the State (ER_{state})(6+7)	173.91	190.23	206.55	222.88	239.20	255.52
9	Net Flow from the State (NF_{state}) (3-8)	-167.58	-183.96	-200.33	-216.71	-233.09	-249.46

B.7.9: Viability

The STHAR has been a loss making undertaking for quite a few years. But in the recent years, the loss started declining a bit. But loss is much higher than the contribution it makes to the state but much lower than the passenger tax it collects for the state. The loss can be made up if full compensation is accorded to the undertaking.

It is a clear case of absorption of passenger tax in the fare so that the fare rises in a manner that occupancy does not get affected. Occupancy compared to other undertaking is pretty good. There may be a little scope for raising fare but that will help the private operators who will make better collection. Hence, it can be safely concluded that, under no circumstances can the STHAR be considered a burden on the State Finances of Haryana but it is shown as a burden on itself.

B.7.10: Suggestions

To begin with, occupancy ratio needs be improved by improving quality of service, by better scheduling of routes and timings and if necessary by rolling back fares. Occupancy ratio should improve—primarily for raising revenue. Improvement is good in terms of optimal utilization of societal resources so long there is no loss of revenue to the undertaking. That will happen only when elasticity of demand is unity.

There is some scope even in raising non-traffic revenue, which is not very high in this undertaking, only 3-7 percent of the total revenue. The undertaking should be strengthened for more than one reason. One of them is that it has a huge fleet size, accounting for more than 60-65 percent of total bus fleet in the state. Private operators cannot easily substitute it in near future. Second, it holds promise for a turnaround with imaginative policies, like improving the fuel efficiency and reducing the staff cost.

B.8

HIMACHAL PRADESH

B.8.1: The State

After independence, Himachal Pradesh was formed as a "C" class State by merger of 33 hilly States of North-Western Himalayas on 15th April 1948.The State of Himachal Pradesh covers an area of about 55700 sq. km. and has a population of about 61 lakhs. It makes international borders with China in the east and is surrounded by Jammu and Kashmir in the north, Punjab in the west, and Uttar Pradesh in the south. It is a hilly state and has a railway line upto Shimla. However, modern means of communication are roads only though a few stations, such as Shimla, Kullu and Manali have regular flights. The road length in the state is 30193 kms and thus road density is more than half a kilometer per square kilometer.

B.8.2: Passenger Transport in Himachal Pradesh

The Government had nationalized the passenger and goods transport service in the state immediately after independence. At the time of nationalization, there were a few private transport operators and private single bus operators operating buses in Himachal. Consequent to nationalization, Himachal Government Transport Service in the state came into existence as a government department in July 1949. However, during the year 1958, a Corporation was floated jointly by the Government of Punjab, Government of Himachal Pradesh and the Indian Railways under the Road Transport Corporation Act, 1950 with a name and style as "Mandi Kullu Road Transport Corporation." This was basically to operate on the joint routes in the States of Punjab and Himachal Pradesh. With the reorganisation of Punjab State in 1966 certain hilly areas of Punjab were also merged in Himachal Pradesh. The operational areas of Mandi Kullu Road Transport Corporation were extended to cover entire State of Himachal Pradesh. This Corporation continued to function as such till 1st October 1974.

Bus remains the sole mode of transportation in the state as the railways have a very marginal contribution. The railway network in Himachal Pradesh has remained static since 1947, except for a small stretch of about 18 Kms. from Nangal to Una, which has been connected by a broad gauge railway line very recently. This is the only expansion of railway network in Himachal for the last 50 years. The narrow gauge lines connecting Pathankot with Jogindernagar and Kalka with Shimla are so slow moving that a very small percentage of traffic is carried by them at present; thereby leaving the onus of carrying the passenger traffic on to bus transport.

The total number of passenger buses in Himachal Pradesh at present is 6454, of which 4743 are in the private sector and 1711 in the public sector, accounting for 73 percent and 27 percent respectively.

B.8.3: Himachal Road Transport Corporation (HRTC)

In Himachal Pradesh, there is only one public undertaking in the public passenger transport, which is the Himachal Road Transport Corporation (HRTC). It was incorporated on 2nd October 1974, when the government-run Himachal Transport was merged with Mandi Kullu Road Transport Corporation to form Himachal Road Transport Corporation under the Road Transport Corporation Act. 1950, which took over the assets and liabilities from the erstwhile Mandi–Kullu Road Transport Corporation and the Himachal Government Transport. Since then it is functioning as such.

It operates its bus services mainly in the hilly regions but also in the plains. Besides its operation in the entire Himachal Pradesh including tribal districts of the State, the HRTC operates its buses in neighboring States of Punjab, Haryana, Rajasthan, Uttar Pradesh, Jammu & Kashmir, Union terrirories of Chandigarh and Delhi. Further, it has acquired distinction to ply its buses to the highest village of the Asia and also its buses cross through the three world's highest passes namely; Bara-Lacha, Kunjam and Rohtang. The HRTC is plying its buses in remotest area of the state, which includes Kuchha and dangerous roads, where private operators hesitate to ply the buses.

Himachal Pradesh is geographically so situated that it has got three different regions viz. high hills in inner Himalayas, mid-Himalayan ranges and foothill plains. The inner Himalayan ranges have the least population density whereas it increases as the height decreases being well populated in the foothill plains. Thus, traffic density is accordingly dictated and so is the road network. The operation of the HRTC expanded as the road network expanded or enlarged in the last 50 years leading to expansion in its fleet. The operation of the HRTC is divided into four divisions, namely Shimla, Mandi, Dharamsala and Hamirpur. The corporation has grown quite considerably over the last thirty years. The growth of the corporation in terms of various parameters is shown in the following table.

Parameters	1974-75	2002-03	Growth (%)
No. of Divisions *	0	4	
No. of Depots *	15	23	53.33
No. of Routes *	379	1733	357.26
Staff Strength	3500	8494	142.69
Total coverage (in lakhs kms) *	303.29	1409.41	364.71
Fleet Strength	733	1711	133.42
Fleet Utilisation (%)	80	98	22.50
Fuel Consumption (in kms. per litre)	2.90	3.57	23.10

* Data relates to the year 2000-01.

B.8.4: Capital Structure of the HRTC

Under Section 23(i) of the road Transport Corporation Act, 1950, the State Government and the Central Government had agreed to contribute to the capital of the HRTC in the ratio of 2:1. However, if we take a look at the actual capital contribution of the two governments, which was about Rs.70 crore in the early nineties, the ratio comes to about 6:1. In the late nineties and in the recent past, when the total contribution is about Rs.200 crore the ratio comes to about 10:1 as the capital contribution of the Central Government stayed put at Rs.15.44 crore since 1993-94 while that of the State Government is increasing every year. In fact, the State Government provided about 85-90 percent of the total capital contribution. The capital contribution of the State Government in 2002-03 is Rs.200 crore, thereby making the ratio of the capital contribution of the two governments to 13:1. Under the Road Transport Corporation Act, the HRTC is liable to pay interest in capital contribution at the rate of 6.25 percent per annum.

The HRTC mainly obtains loans from the commercial banks, the amount outstanding varied from Rs.20 crore to Rs.40 crore over the years. However, in the early nineties, the Industrial Development Bank of India (IDBI) also provided loans to the HRTC. The outstanding loan from the IDBI was an order of Rs.10-25 crore, except in 1997-98, when it was of more than Rs.90 crore. In fact, the corporation also availed rediscounting facility from the IDBI upto 1993-94. Nonetheless, total loans of the HRTC over the entire period of the nineties came to about Rs.25-50 crore. In 1997-98 the loan outstanding had risen to Rs.124 crore over Rs.32 crore but in the subsequent years it came down to just Rs.40 crore.

Since components details of subsequent years are not available, part of this reduction can perhaps be surmised in change of some loan into capital contribution by the state. But in the absence of information nothing conclusive could be said. How such a big sum was done away with.

The total external capital comprising of the capital contribution by the State Government and Central Government and the total loans, aggregated to around Rs.110 in early nineties and to Rs.260 crore at present, i.e., 2002-03. In fact, capital contribution forms 60 to 80 percent of the total external capital in the HRTC.

Internal capital of the HRTC is negative despite sizeable reserves of about Rs.100 to Rs.140 crore with it. This is because the corporation has been a perennial loss-making undertaking. Though the reserves formed a major part of the internal capital, the accumulated losses resulted in crowding out of the reserves. Hence, the internal capital could not form a part of the capital invested of the HRTC.

Capital invested by HRTC has been quite robust with a value of Rs.270 crore in 1997-98 but now stands eroded to barely Rs.50 crore. Net value of fixed assets with the HRTC has been gradually rising from about Rs.70 crore in 1991-92 to more than Rs.150 crore in 2002-03, which is primarily made up of the passenger buses owned by HRTC. The net value of buses accounts for about 85 percent of the net value of fixed assets. The net current assets, which is defined as the difference between the current assets and current liabilities, is negative throughout the nineties and in fact the gap seems to be widening over the years. The value of net current assets was just (-) Rs.2.5 crore in 1991-92, which is now a staggering sum of more than (-) Rs.100 crore.

Due to increasing order of the negative value of the net current assets, capital employed by the HRTC, after recording an increase in the mid-nineties, fell in the subsequent years. The capital employed by the HRTC increased to Rs.120 crore in 1998-99 from only Rs.66 crore in 1991-92. However, it fell in the subsequent years, recording capital employed of less than Rs.50 crore in 2002-03. Yet it is positive. One interesting point to note here is that from 1998-99 onwards, capital invested by the HRTC is almost at par with the value of capital employed, though there was wide variation in the earlier years.

Net worth of the HRTC has shown a gradual increase over the years. From a net worth of only Rs.25 crore in 1991-92, the HRTC was worth Rs.105 crore in 2002-03. The only exception was in 1997-98, when it recorded a negative worth due to the huge amount of loans taken by HRTC during the year, which included the loan of about Rs.100 crore from IDBI. However, if we consider total net worth, the level is much reduced, signifying that net current assets are negative—which implies many payments are due, may be for good number of years.

B.8.5: Revenue Analysis of the HRTC

Total revenue of the HRTC consists of the traffic revenue and non-traffic revenue. Generally, non-traffic revenue should be a very minor amount accounting for a small percentage of the total revenue. But in the case of HRTC, we find in most years it is approaching 40 percent and we find few years when it was hardly 1 percent. Our guess is that it is a case of misclassification yet there is an inexplicable jump of more than Rs.40 crore in 1997-98.

As we know, the state follows a social policy programme, under which it allows concessional travel to various categories of the people, like students, freedom fighters, blinds, journalists etc. The burden accounted for by the HRTC in this context, is nowadays in the

vicinity of Rs.40 crore when the traffic revenue is about Rs.160 crore. Thus, it is around 25 percent of total traffic revenue. Government subsidies occasionally exceeded the burden imposed—may be because of arrears received in later years. It is not clear if these subsidies are actually compensations for loss of revenue to the HRTC due to concessional travel. It may also be a grant in aid of revenue as well. If such a burden were not imposed on the HRTC, then the potential revenue of the corporation would have been much higher. This would have considerably improved the financial position of the HRTC. If we take a note of the actual revenue earned, and the potential revenue that could have been achieved by the HRTC, in case of no burden due to concession. However, of late the subsidy/grant made available overcompensates the burden.

B.8.6: Cost Analysis of the HRTC

Now we take a look at the costs incurred by the HRTC. The direct cost incurred by the HRTC, consists of personnel cost and material cost. In the early nineties, we find that the material cost is greater than the personnel cost. However from the mid-nineties, personnel cost is the major cost incurred by the HRTC. The personnel cost of HRTC accounted for 30 percent of the total cost early years of the nineties rose to 42-43 percent for a few years thereafter and finally turned up close to 50 percent. It returned back to over 47 percent in 2002-03. The personnel cost in the HRTC is really very high and rise in terms of more than 50 percent of the total is a bit bewildering. Immediate measures need to be undertaken by the corporation to reduce this cost, so as to improve its financial viability. However, it will be a difficult proposition as bus-staff ratio was never very high and has now fallen from 6 in early nineties to less than 5 in 2002-03. Low and lowering bus staff ratio and high and increasing personnel cost.

The material cost accounts for 35-45 percent of the total cost, of which the major portion is accounted by fuel cost, about 60 percent. In fact, the fuel consumption of the buses owned by the HRTC is only 3.3-3.5 kms a litre of HSD. Though, it is known that the corporation operates its fleet in the hilly regions, but still the fuel consumption is quite high. If the buses can attain a fuel consumption level of 4 kms a litre of HSD, then the fuel cost can be reduced considerably—say by 10 percent and the total cost by 5 percent.

The HRTC considers both buses as well as other assets for depreciation. However, it is the passenger buses owned by HRTC that accounts for most of the depreciation. In fact, the rate of depreciation in the HRTC is almost constant over the years, registering a rate of about 11 per cent in the nineties. It is only in the recent past that it has fallen below 10 percent.

The HRTC is supposed to pay interest on capital contribution provided by the state, at the rate of 6.25 percent per annum. The interest receivable by the State Government on this account, amounts to Rs.4 crore to Rs.12 crore. However, the HRTC paid interest to the State Government only in 1991-92 and 1992-93. There have been no interest payments by HRTC to the State Government in the subsequent years. However, in 2002-03, the HRTC did pay interest of an amount of Rs.45 lakh to the State Government. On the other hand, regular interest payments were made on the loans obtained from IDBI and the commercial banks. In fact the loans obtained by the HRTC from the commercial banks to purchase buses, varied between Rs.10 crore and 20 crore during 1995-96 to 2001-02. The period of loan was uniform 5 years, but the rate of interest varied between 12.25 and 17.50 percent per annum. In 2002-03, on this account the HRTC obtained loans from the commercial banks of an amount of Rs.14.13 crores for a period of 7 years at the rate of interest of 10.30 percent per annum.

In the HRTC, tax payments are made on account of the Motor Vehicle Tax. Though there is provision of a payment of passenger tax at the rate of 40 percent to the State Government, there is no mention of passenger tax payments in the accounts of HRTC. The tax rate as a percentage of the total revenue is about 2.5-5 percent in HRTC, which is quite acceptable.

The cost recovery ratio in HRTC has been quite low. It never exceeded 96 percent in the recent past. Of late it is less than 90 percent. It is quite obvious that, only if measures to reduce personnel cost and fuel cost are undertaken immediately, it can attain break even in the near future.

B.8.7: Physical Performance of the HRTC

Turning towards the physical performance of HRTC, we find that there has been regular addition of buses to the existing fleet. Though there has been regular scrapping of buses too, yet there has generally been net addition to the bus fleet. The fleet utilization in the HRTC is quite impressive, recording a level of 95-98 per cent. This is borne out by the fact that, out of 1600-1750 buses held on average by the HRTC, the average number of buses on road were 1550-1700, with only about 30-50 buses off-road, on an average.

There has been, however, the problem of overaged buses. Despite the notification by the ASTRU about ageing norms, about 20-22 percent of the buses were overaged in the HRTC. This not only reduces efficiency but also increases the fuel cost as well as material cost, needing more spare parts and extra expenditure on repairs.

The above problem is depicted in the figures of effective kms operated and the bus utilization. The effective kms operated per bus per day in HRTC is 215 kms, which is on par with that in the neighbouring corporations (STHAR and PRTC). Not only that the bus utilization in HRTC, is poorer at 200-220 km./bus on road/day, whereas in PRTC, it is much higher 270-290 km./bus on road/day. Because of terrain in which the HRTC operates the bus utilization is likely to be low.

The occupancy ratio is very discouraging in HRTC. It has never been more than 75 percent. But of late it has been coming down and has reached below 50 percent. This is one of the reasons for HRTC to incur losses over the years. This has also resulted in the loss of potential revenue to the corporation. The fall in occupancy ratio in the HRTC can be safely attributed to the fare structure. As we have noted that, there has been a fall in the fare of all bus services in the hilly region of the state between October 1994 and September 1997 registering a fall of 8-11 percent. This is reflected in the rise of occupancy ratio from 64 percent to 75 percent during the same period. However, the fares were increased sharply after two years, in October 1999 at a rate of 75-80 percent, and the occupancy during this time fell to 57 percent. It is to be noted that the fares in HRTC includes a passenger tax of 40 percent on the basic fare as well as a surcharge of 20 percent of the passenger tax. This is illustrated in the table below.

Date	Ordinary	Express/ Night service	Semi-Deluxe	Deluxe	Hike in Fares (%)	Occupancy ratio
21.01.92	20.13	25.16	28.18	36.23		68
15.10.94	37.23	46.54	55.85		44-85	64
19.09.97	33.27	41.59	49.91	66.54	(-) 8-11	75
22.10.99	59.10	73.80	88.60	118.10	75-80	57

B.8.8: Fiscal Impact on the State Budget

The total receipts of the HRTC include the increase in state investment and the subsidies provided by the State Government. The increase in state investment registered as uneven

pattern over the years. In some years it increased, while in other years it fell. Overall the HRTC received state investment of Rs.10 crore every year since 1992-93 with a few exceptions. The subsidies given to HRTC by the State Government was Rs.30-50 crore. This is expected to be on account of the burden, which the corporation undertook on account of the concessional travel policy of the Government. In fact, in two years, 1998-99 and 2001-02, the subsidies given by the State Government was more than the burden incurred by the HRTC. This may be due to the fact the Government was meeting the shortfall of the earlier years or possibly it has an element of grants-in-aid. The total receipts of the HRTC from the government, varied widely over the years, from only Rs.8 crore in 1992-93 to Rs.80 crore in 1998-99. Then it fell in the next two years to Rs.40 crore, and again rising to Rs.63 crore in 2001-02. In 2002-03, it fell again to only Rs.27 crores.

On the other hand, the total receipts by the State Government consisted of the interest and tax payments by the HRTC. The total receipts by the State over the years, was Rs.5-8 crore. However, if we consider the interest receivable by the state on account of the capital contribution provided to HRTC, then the potential receipts of the state could be Rs.8-18 crore. Since the HRTC defaulted in interest payments to the state, the actual receipts by the state were much less.

Considering the actual flows between the State Government of Himachal Pradesh and the HRTC, we observe that the state has been a net donor/loaner in the bargain. Over the years, the state has been providing budgetary support to the HRTC, to the tune of Rs.10-60 crore. We have already noted that the State Government compensates the HRTC for the concessional travel that the latter allows in its buses as a part of the Government's social policy. Even after incorporating this burden and the subsidies provided by the State Government, the potential flows from the state to the HRTC shows that the state does provide budgetary support to the HRTC.

We now project the net flow figures for the next five years, 2004-05 to 2009-10. It is clear that the state is not going to receive anything from the corporation in the near future. On the other hand the state provides substantial capital contribution to the state. Thus the net flows from the state exchequer over the next five years will become almost Rs.65 crores.

	Himachal Pradesh	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	25.04	27.54	30.05	32.55	35.05	37.56
2	Subsidies/Reimbursement from the state (S)	53.62	58.86	64.10	69.34	74.58	79.82
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	78.66	86.41	94.15	101.89	109.64	117.38
4	Interest received by the State (Int.)	0.53	0.56	0.60	0.64	0.68	0.71
5	Non Passenger Taxes received by the State (NPT)	7.51	7.96	8.42	8.87	9.33	9.79
6	Total Receipts by the State from the STRU (R_{state})(4+5)	8.03	8.53	9.02	9.51	10.01	10.50
7	Burden on the SRTU due to Concessions (B)	36.98	37.81	38.64	39.47	40.30	41.13
8	Effective Receipts by the State (ER_{state})(6+7)	45.01	46.34	47.66	48.98	50.31	51.63
9	Net Flow from the State (NF_{state}) (3-8)	33.65	40.07	46.49	52.91	59.33	65.74

B.8.9: Viability of the HRTC

The hardship that the HRTC encountered was that its operation expanded more in the far flung areas of the state and on newly constructed roads which led to less utilization of stock, higher expenses on operation and less yield in terms of revenues. Case in example, is the HRTC operation in tribal areas of Himachal Pradesh viz. district of Kinnaur, district of Lahaul and Spiti, Pangi and Bharmour Sub-divisions of Chamba district. At present, though a

road exists across the Rohtang Pass, which closes to traffic from October to June whereas the valley remains open for operation till December and reopens for operation in April. Thus, around 14 vehicles are stranded in the valley from December to April without any operation. The staff is ferried by helicopter in December every year to Kullu and carried back to the valley in April in the same manner. The operations thus are not, only highly uneconomical, but also are hazardous.

The operations in this valley are essential for intra-valley movement for normal human needs like education, health, supplies etc. Thus, benefits though accrue to the residents of the valley, but leads to aggravation of losses to the Corporation. Similar is the situation in operation in the valley of Kinnaur where the operations touch the height of 15,000 feet almost for 10 months in a year. Operations in valley of Kinnaur acquire more importance for obvious reasons as it is situated on the border with Tibet. Even today, the operations in the valley of Pangi are met with the mini buses and jeeps. In the socio-economic situation that accrue in the State today, one cannot think of economics of operations as the benefits that accrue to the people by the bus services are of vital importance to the economy of these areas.

Nevertheless, the operation of this corporation over the years has been mainly due to the budgetary support provided by the State Government. As we have observed that since the financial position of the HRTC, was not good, it had to depend on the state's budgetary support. However, this cannot continue for long. This is because the state's finances are getting tight every moment and the State Government is thus encouraged to privatise the operations of bus services in the state.

B.8.10: Suggestions

So, to become a viable transport undertaking, the HRTC has to improve its financial performance. This essentially requires improvement on its direct cost, namely the personnel cost and material cost. To elaborate, this requires improving the bus-staff ratio, doing away with excess staff and reducing the fuel consumption. On the other hand, improving the occupancy ratio will bring in more revenue, thereby improving the financial viability of the corporation and hoping for attaining break-even in the near future. Then, the HRTC will have to depend a little less on the State's budgetary support. Otherwise, we find the viability of the HRTC is in doubt.

There are buses in the private sector, which are understood to be plying for tourist purposes. They are a great support to the economy. To what extent will they be able to replace on routes, which are uneconomic? Who will subsidize these operations?

B.9
JAMMU & KASHMIR

B.9.1: The State

Jammu and Kashmir is the northernmost state of the country with three distinct regions of Jammu in the south, Kashmir in the north and Laddakh in the east. It has international borders with Pakistan on the west with regions of Jammu and Kashmir and with China in the north and the east with Laddakh. Its total population is little over one crore, almost one percent of country's total.

Its major modern mode of transportation is road transport though efforts for laying railway lines beyond Jammu are under foot.

There is no data available to us beyond 1997-98.

B.9.2: Passenger Transport in Jammu and Kashmir

In Jammu and Kashmir, there were around 13262 buses in public passenger transport, of which only about 5.5 percent are in the public sector. With population barely over one crore, the number of buses per lakh population is about 125. The road density is pretty low of 0.06 kilometers per sq km.

B.9.3: Jammu & Kashmir State Road Transport Corporation (JKSRTC)

There is only one organization in public sector in passenger transport in Jammu & Kashmir, namely, Jammu & Kashmir State Road Transport Corporation (JKSRTC), which is a statutory corporation. The JKSRTC was constituted on 1st September 1976 under section 3 of the Road Transport Corporation Act, 1950. The JKSRTC caters both to the mofussil and city services.

B.9.4: Capital Structure of the JKSRTC

In the JKSRTC, the division of capital contribution between state and union governments has been 5:1. The total capital contribution is a little more than Rs.90 crore. The loan capital to contribution capital ratio has consistently increased from around 0.5 in 1991-92 to more than 1.4 in 1997-98.

The loan capital to the JKSRTC has been provided mainly by commercial banks viz., Jammu & Kashmir Bank Ltd., besides from State Government and the IDBI.

Throughout the 1990s, JKSRTC has accumulated losses, which have increased steadily to surpass Rs.250 crores by 1997-98. The JKSRTC has not built any internal reserve. Thus, value of internal capital in the negative. The value of net fixed assets has remained low.

Combined with its increased outstanding loans, its net worth has become negative.

Capital invested in the JKSRTC has become negative since 1992-93 onwards because of huge losses, and the figure is increasing with passage of time. Capital employed and capital invested are the same throughout the period.

B.9.5: Commercial Viability of the JKSRTC

The JKSRTC has made losses continuously throughout this period from 1991-92 to 1997-98. The cost recovery ratio has remained almost stagnant at around 0.33 after marginal

For this corporation, the amount of capital employed has been rising particularly because of improvement in net fixed assets even though current liabilities exceeded current assets. But after 2001, even the net current assets were positive. At by the end of the March 2004, capital employed comes to about Rs.334 crore from around Rs.100 crore in 1997-98. Capital invested which is the sum of external capital and internal capital adjusted for accumulated losses is almost the same as capital employed for all the years a little more or a little less. Net worth of an establishment is calculated by deducting total loans from capital employed. The net worth (stock and total) of the BMTC have been positive since its existence and has been registering robust growth over the years.

B.10.4.2: Revenue Analysis of the BMTC

Total revenue of BMTC in 2003-04 has increased by almost Rs.100 crore over the level in 2002-03. In fact if we look back, we would see that the total revenue has registered tremendous growth over the last few years. From Rs.106 crore in 1997-98 it increased to Rs.342 crore in 2002-03. In 2003-04, it registered total revenue of Rs.441 crore. Though there was an upward revision of fare structure of all the services on 02.02.03, yet occupancy rose from 60 percent in 2001-02 to 74 percent in 2002-03.

Though net profit, as noted above, is already very encouraging, yet its potential profit is very substantial. Potential profit is calculated by adding burden on SRTU's due to concessions with the net profit. Concession burden is as high as Rs.40 crore to Rs.70 crore. Its potential profit could be no less than Rs.50 to Rs.100 crore if it is fully compensated for this burden. If it has not to offer this concession then there may be a little impact on occupancy, profit would yet be more substantial.

State Government has always been providing subsidies to the BMTC. Before 2001-02 the amount of subsidies used to be in the vicinity of Rs.15 crore but then rose to Rs.27 crore in 2002-03 and then to Rs.32 crores in 2003-04. Yet the point to be noted is that the amount of subsidies provided by the government is much less than the burden imposed on it in terms of concessions in fare.

B.10.4.3: Cost Analysis of the BMTC

The cost of operation of the BMTC is rising, partly because its fleet—particularly buses on road—is increasing and partly because of inflation. Fuel efficiency of buses in this corporation is quite good considering the fact that it exclusively runs city services, where the halts/stoppages are more frequent. (Stages in the city are of two kilometers and in suburbs, of four kilometers.) But still it has been improving and presently the level is 4.6 kilometers per litre of HSD. So the corporation did not have to incur much fuel cost, though the other material costs has been rising. However, its personnel cost is about 45-50 percent of total cost while tax component in the cost is not even 5 percent. This is a disturbing trend and this has to be reduced immediately. One encouraging sign is that the bus-staff ratio is falling considerably.

B.10.4.4: Physical performance of the BMTC

The fleet utilization of this corporation is not bad and it is improving from 92 percent in 1997-98 to 96 percent in 2002-03. The bus staff ratio in the BMTC is less than 6 for the last two years. This figure is quite satisfactory when compared with many other SRTUs. However, it should not be brought down merely by increasing the fleet size, as has been the case. The solution could have been worse than the disease but for the fact they could generate effective, efficient and reliable service for daily commuters and earned their loyalty.

Regarding the other parameters of physical performance, the BMTC is doing pretty well over the years. The effective kilometres operated are increasing every year, from 15 crore kms. in 1998-99 to over 22 crore kms. in 2002-03. The bus utilisation is also improving from 214 km per bus on road per day in 1997-98 to 228 km per bus on road per day in 2002-03, though it has been much better in 1998-99 when it was 247 km per bus on road per day.

B.10.4.5: Fiscal Impact on the State Budget

In the case of the BMTC, total capital (capital contribution and equity contribution) is provided exclusively by the state. It is Rs 64.71 crore. Since most of this capital is in the form of equity contribution so there is no question of interest payments on it. The capital contribution of the state government on which interest is payable by the BMTC is only Rs.0.12 crore. So on this the former should be receiving annual interest of Rs.75000 only at the rate of 6.25 percent per annum. Not only that, interest is also payable on the loans provided to it by the state government. The loans outstanding to the state government are Rs.0.72 crore from the time of its inception till date. In other words, no repayment of state government loans by the BMTC has taken place and the actual receipt was far below than the potential interest receipt. Therefore the interest payments kept accruing on these loans, and it is at present Rs.0.57 crore (almost close to the principal amount). But what about the dividends?

Total receipts by the state government remained below Rs.10 crore. But if burden due to concession in fares is considered, the notional receipts are pretty high. Naturally then, subsidies too should be considered. In that eventuality, the state government from being a net donor becomes a net receiver of funds from the corporation. The state's receipts improve substantially between Rs.30 crore and Rs.45 crore. In either case, it is substantial earning on the capital invested by the government.

As the net flow from the state government has been negative for all the years of the corporation (if we consider the burden incurred by the BMTC due to fare concession), which implies that state has been receiving more than the amount of assistance it was providing to it. Therefore, the corporation is not a burden on the state government. Based on this, we now project the net flows from the state to the BMTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing a huge amount of funds to the state exchequer, to the tune of more than Rs.96 crores.

	Karnataka (BMTC)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.05	0.06	0.06	0.06	0.06	0.07
2	Subsidies/Reimbursement from the state (S)	30.85	34.00	37.15	40.29	43.44	46.59
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	30.91	34.06	37.21	40.36	43.51	46.66
4	Interest received by the State (Int.)	0.01	0.01	0.01	0.00	0.00	0.00
5	Non Passenger Taxes received by the State (NPT)	18.75	21.04	23.33	25.62	27.91	30.20
6	Total Receipts by the State from the STRU (R_{state})(4+5)	18.76	21.04	23.33	25.62	27.91	30.20
7	Burden on the SRTU due to Concessions (B)	76.97	84.11	91.25	98.39	105.53	112.67
8	Effective Receipts by the State (ER_{state})(6+7)	95.73	105.16	114.58	124.01	133.44	142.87
9	Net Flow from the State (NF_{state}) (3-8)	-64.82	-71.10	-77.38	-83.66	-89.93	-96.21

B.10.4.6: Viability of the BMTC

Fleet utilization of this corporation was appreciably good. But occupancy ratio, which showed a declining trend, has again improved considerably. Profits earned by the corporation are on the rise and this is an indication of better utilization of resources. One can therefore,

conclude that, the corporation is not a burden on the state government and neither it is a burden on itself.

B.10.5: North West Karnataka Road Transport Corporation (NWKRTC)

On 1st November 1997, the North West Karnataka Road Transport Corporation (NWKnRTC) was created out of the parent corporation, KnSRTC for the districts of Belgaum, Dharwad, Gadag, Haveri, Bijapur, Bagalkot, and Uttara Kannada (which were all parts of Bombay Karnataka Region).It became financially independent on 1st April 1998.

The NWKTC consists of 6 operating divisions and 36 depots. During the very first year it created two new divisions and 2 new depots. At present, there are 45 depots. With over 21000 employees, the corporation operates about 3300 schedules and almost 5500 routes, using 3300 buses on an average. There are 400 inter-state routes connecting neighbouring states of Andhra Pradesh, Goa, Maharashtra and Tamil Nadu, and also 800 city/suburban routes in the cities of Hubli Dharwad, Belgaum, Bijapur, Gadag and Karwar. The corporation presently owns a fleet of about 3600 buses, which is constituted by 1250 Ordinary, 1600 Express, 25 Luxury, 60 Hi-tech, 300 City and 150 Sub-urban services. There are long routes covering 100 kilometers also as well as conductor-less non-stop services.

B.10.5.1: Capital Structure of the NWKRTC

This corporation is totally owned by the State Government of Karnataka, which has contributed base capital to the tune of Rs.93.63 crore through division of assets of the KnSRTC when it was bifurcated in late 1997. This capital core constituted of Rs.72.80 crore in the form of equity contribution and the remaining Rs.20.74 in the form of capital contribution. However, in the next year, 1998-99, almost the whole of the capital contribution was converted into equity capital, so that of the total capital of Rs.93.63 crore, equity contribution is Rs.93.50 crore and only Rs.0.13 crore, capital contribution. This continued to be the case till date. The Central Government does not provide capital in any form to the NWKnRTC.

Along with the assets, it also inherited outstanding loans of about Rs.170 crore, which is actually the loan outstanding as on 31.03.1998. It has since increased over the years, and at present it is about Rs.220 crore. The NWKRTC procured loans mostly from the commercial banks, the LIC and the IDBI, which charged 13-14 percent rate of interest for loans for 5 to 10 years, which is very high.

The corporation has also inherited reserves to the tune of Rs.140 crore, which went on depleting to Rs.60 crore by March 2003. But it inherited accumulated losses, which were of the order of Rs.140 crore in 1997-98, which went on reducing thanks to profits it earned and now are about Rs.100 crore.

Net fixed assets of the NWKRTC have been improving in value from Rs.211 crore in 1997-98 to Rs.257.65 crore in 1998-99 and reached the level of Rs.353 crore in 2002-03. The increase has been a gradual affair.

For this corporation, the amount of capital employed has been rising particularly because of improvement in net fixed assets even though current liabilities exceeded current assets. At by the end of the March 2002, capital employed comes out to be over Rs.300 crore. At the end of 2002-03, it was almost Rs.350 crore. Capital invested (sum of external capital and internal capital adjusted for accumulated losses) was almost the same in order as capital employed for a few years but now it is half the capital employed.

Net worth of an establishment is calculated by deducting total loans from capital employed. The net worth (total as well as stock) of the NWKRTC has been positive since its existence and in 2002-03, both were almost the same at Rs.220 crore.

B.10.5.2: Revenue Analysis of the NWKnRTC

Total revenue of NWKRTC has increased from about Rs.370 crore in 1998-99 to Rs.540 crore in 2001-02. There was an upward revision of fare structure of all the services for two consecutive years 1998-99 and 1999-2000. For the next two years it remained unchanged yet occupancy went down.

Occupancy ratio is the Achilles' heel. It has dropped 20 percent points from a high of 82 percent in 1999-2000 to 62 percent in 2001-02. In the year 2001-02 itself the drop in the ratio by 14 percent points though rise in farc was almost at the level of inflation.

The SRTUs are supposed to pay interest every year on the external capital (total capital contribution + total loans). So far as NWKRTC is concerned the average rate of interest paid by this corporation works out to be around 7 percent of its revenue earning, which is not very high. When tax as a percentage of revenue is calculated, NWKRTC pays only 5.3 percent. So, State Government receives a rather low proportion of revenue as taxes.

Though net profit, as noted above, is Rs.11.71 crore in 2001-02. Its potential profit is substantial. Potential profit is calculated by adding burden on SRTU's due to concessions with net profit. Concession burden is as high as Rs.50 crore to Rs.80 crore. Its potential profit could be no less than Rs.50 crore if it is fully compensated for this burden. If it has not to offer this concession then there may be some impact on occupancy yet profit would be substantial.

State Government has always been providing subsidies to the NWKRTC. Before 2001-02 the amount of subsidies used to be in the vicinity of Rs.15 crore but it then rose to Rs.45 crore. Yet the point to be noted is that the amount of subsidies provided by the government is less than the burden imposed on it in terms of concessions in fare.

B.10.5.3: Cost Analysis of the NWKnRTC

The cost of operation of the NWKnRTC is rising, partly because its fleet—particularly buses on road—is increasing and partly because of inflation. Fuel efficiency of buses in this corporation is one of the best. It has been improving and has crossed the level of 5 kilometers per litre of HSD. At present, it is 5.13 kilometers per litre of HSD. So in this regard, the corporation did not have to incur much cost, though the other material costs has been rising. Its personnel cost is 37-38 percent of total cost while tax component in the cost is not even 5 percent.

This corporation is one of the few profit-earning corporations. From a low of Rs.22 lakh in 1998-99, it has moved to earn over Rs.12 crore in 2002-03.

B.10.5.4: Physical performance of the NWKnRTC

The fleet utilization of this corporation is not bad and it is improving from 93.8 percent in 1998-99 to 95.8 percent in 2001-02 and over 96 percent in 2002-03.

The bus staff ratio in the NWKRTC is 6.23. This figure is quite satisfactory when compared with many other states but it can still be brought down further. It should not be brought down merely by increasing the fleet size, which has been the practice. As a result occupancy ratio goes down unless new routes are undertaken. The solution may be worse than the disease though it has not happened in this case. Revenue has improved.

Regarding the other parameters of physical performance, the NWKRTC is doing pretty well over the years. The Effective Kilometres Operated is increasing every year, from 35 crore kms. in 1997-98 to almost 45 crore kms. in 2002-03. The Bus Utilisation is also improving from 328 km per bus on road per day to 347 km per bus on road per day.

B.10.5.5: Fiscal Impact on the State Budget

In the case of the NWKRTC, total capital (capital contribution and equity contribution) is provided exclusively by the state. It is Rs 93.63 crore. As of now there is very little capital contribution, so it should be receiving interest on its loan, which is also not very high. Total receipts by the state government remained around Rs.25 crore. But if burden due to concession in fares is considered, the notional receipts are pretty high. Naturally then, subsidies too should be considered. In that eventuality, net flow from the corporation to the state improves from Rs.25 crore to Rs.45 crore. In either case, it is substantial earning on the capital invested by the government.

Net flow from the state government has been negative, which implies that state has been receiving more than the amount of assistance it was providing to it. The corporation is not now a burden on the state government. Moreover, though the amount of net profit was very low, the trend shows a gradual increase over the recent past.

Based on this, we now project the net flows from the state to the NWKnRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing some amount of funds to the state exchequer, to the tune of more than Rs.38 crores. The projected net flows to the NWKRTC from the State Government shows a declining trend. It declines form Rs.52.93 crore in 2004-05 to Rs.38.33 crore in 2009-10.

	Karnataka (North West)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	30.86	33.61	36.35	39.10	41.84	44.59
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	30.86	33.61	36.35	39.10	41.84	44.59
4	Interest received by the State (Int.)	0.04	0.04	0.03	0.03	0.03	0.03
5	Non Passenger Taxes received by the State (NPT)	27.89	28.75	29.61	30.48	31.34	32.20
6	Total Receipts by the State from the STRU (R_{state})(4+5)	27.92	28.79	29.65	30.51	31.37	32.23
7	Burden on the SRTU due to Concessions (B)	55.87	54.83	53.80	52.76	51.73	50.69
8	Effective Receipts by the State (ER_{state})(6+7)	83.79	83.62	83.44	83.27	83.10	82.92
9	Net Flow from the State (NF_{state}) (3-8)	-52.93	-50.01	-47.09	-44.17	-41.25	-38.33

B.10.5.6: Viability of the NWKRTC

The management is trying to impress that there is shortage of staff at the operating division, due to which the stores records were not updated, stores receipts and issues were not being posted in bin cards for weeks together, the preparation of local purchase statements was delayed.

Nobody would deny that efficient control of material cost and inventories by ensuring uniform flow of material of right quality at right time and at right price so that it may have operational efficiency, has to taken due care of. Critical staff needs to be appointed/deployed but it has to be seen that overall personnel cost should not increase unless not justified by productivity on all fronts. This has to be impressed upon the management lest the corporation goes on the lines of its sisters—not known for virtues.

Fleet utilization of this corporation was appreciably good. But occupancy ratio, which shows a declining trend and which should be reversed anyhow even at stagnant profit for it is an indication of better utilization of resources. One can therefore, conclude that, the corporation is not a burden on the state government. However efforts must be made to continue with the present good showing and even improve it in the future.

B.11
KERALA

B.11.1: The State

Kerala as a state came into being as part of the States Reorganisation Act in 1956. Shaped like a banana and situated along the southern part of Arabian sea, Kerala has on the eastern border the states of Karnataka in the north and Tamil Nadu in the south. Kerala—meaning God's own land—has a population of 3.2 crore. With less than 40000 sq km of land, it is a densely populated state with 820 persons per kilometer; only two states West Bengal and (present) Bihar—ignoring Delhi— having higher density.

B.11.2: Public Transport in Kerala

In Kerala, which has now over 1.5 lakh kilometers of road length and thus a density of 4 kilometer per square kilometer, there is only one public undertaking in passenger road transport, which is the Kerala State Road Transport Corporation (KSRTC). But there are many private operators both in stage carriage and contract carriage business in all districts, barring Thiruvananthapuram, which is totally nationalized. Besides operating in rural areas, the KSRTC also plies city buses.

At the end of March 2002 Kerala is reported to have had 57676 buses, of which about half are stage carriages. As on 31.03.2003 there were 4404 buses with the KSRTC of which 3533 were on road and operating 3782 schedules with a daily coverage of around 11.65 lakh kilometers. The share of the public sector is just over 7 percent in total bus fleet and 15 percent of stage carriages. It is alleged that many of the contract carriages are clandestinely operating as stage carriages, which they ought not to.

B.11.3: Kerala State Road Transport Corporation (KSRTC)

The present state transport undertaking has its origin in the erstwhile princely state of Travancore when a transport department, known as Travancore State Transport Department was established by the Government in 1938 to run road passenger transport services. From the modest beginning of a small fleet of 60 buses having comet chassis and fitted with Perkins diesel engines imported from London, operating over four routes, the department extended its activities year after year and established a small network of passenger services—first extending to Cochin in 1949 and then to Malabar in 1956. The service and the undertaking became part of the State Government whichever came to subsume the territory and administration of the princely State of Travancore in subsequent political developments.

It was felt later that the efficiency of the services could be improved if the undertaking was organized on regular commercial lines and given sufficient autonomy to draw up its policies and to implement them while applying business principles. This is the reason the government of Kerala took a policy decision to convert the State transport department into a corporation. It always had loss, though nominal. In conformity with the Road Transport Corporation Act of 1950, the Government of Kerala formulated KSRTC rules in 1965 under section 44 and the department was converted into an autonomous corporation. The Kerala State Road Transport Corporation (KSRTC) came into existence in March 1965 with around 900 buses, 660 schedules and 550 routes, with separate state service rules. Accordingly the corporation started functioning from 1st April 1965 along with water transport section, which was operating ferry services around Cochin Harbor. The arrangements required for the

smooth taking over of the services run by the Kerala State Transport Department were made expeditiously by the corporation. The fleet size of the corporation was around one-third of the total fleet in the state at that point of time. The share remained the same in 1984 when the fleet size of buses in the State rose four times. At present the number of routes covered by the corporation services is 4560 as on 31st March 2001. Which means that both public and private sectors grew pari passu.

The progress between 1965 and 2001 is terms of physical parameters is spectacular and is therefore reported below.

S. No.	Item	1965	2001
1	Schedules	661	3944
2	Buses	901	4554
3	Routes	553	3853
4	Route length kms	17,822	12,00,000
5	Employees	6352	27898
6	Daily Collection (lakhs)	1.54	163 .00
7	Operated lakhs kms daily	1.67	11.49
8	Passengers (lakhs)	3.8	30.0
9	District Offices	10	31
10	Sub District Offices	1	38
11	Central workshop	1	1
12	Regional workshop	1	4
13	Revenue receipts (Rs.crores)	6.31	475.00
14	Expenses (Rs.crores)	6.14	598.49
15	Cost of Operation Rs km	0.96	19.56
16	Rate km paise.	3	28

The KSRTC had never had profit except 1994-05 when it had marginal profit. It is pointed out that the KSRTC faces competition in short distance travel with three-wheelers, omnibuses and trekkers and in medium distance travel with privately owned stage carriages and in long distance with contract carriages, both legal and illegal, and trains.

The KSTRC engages a few private vehicles also and earns a little money from the operation.

The KSRTC also runs Sree Chithirathirunal College of Engineering, which was inaugurated as late as June 1995, by creating a society, viz., KSTRC Sree Chithirathirunal College of Engineering (TVM) Society. The Government of Kerala gave it 12.5 acres of land for the college on lease for 99 years at lease rent at the rate of Rs.100 per acre.

B.11.4: Capital Structure of the KSRTC

Both the governments, the state and the central, have provided the corporation with the initial capital in a certain ratio fixed by mutual agreement. The Central Government is represented by the Southern Railways. This ratio is suggested to be 2:1 and the KSRTC was supposed to pay interest on the capital contribution at a stipulated rate. However, at one stage it was decided that the principal and interest accrued thereon till 31.03.1992 be converted into equity capital.

The assets of State Road Transport Department were valued at about Rs.5 crore (in subsequent 2-3 years). By 1988-89, it is gathered that in the total base capital the contribution of the State was to the tune of Rs.43.82 crore and of the Union, Rs.17.84 crore, the total being Rs.61.66 crore. Holding that the corporation is running into losses, the Central Government stopped giving any contribution since 1987-88. However, both the governments decided that

their capital contributions should be converted into equity capital so that interest on capital contribution does not add to current liabilities till it remains a loss-making enterprise, which it always barring a few exceptional years.

From the data one may gather impression that there were certain additions in the base capital, which is not true. Only part of the current liability, that is unpaid interest due on capital contribution, was converted into equity capital. The share of state government was almost three times (rather than twice) that of the central government for long where contribution of state government equaled to Rs.54.77 crore. However, the state did give loans liberally. However, by the close of the century, the state contribution had been by rising as it gave some money for certain purposes, like building infrastructure, but treated it as equity capital.

The balance of the capital need is met through loan obtained by the corporation from different sources such as the State Government itself, the LIC, the commercial banks, the IDBI. In 1988-89 the loan outstanding was around Rs.75 crore, the share of State Government and the IDBI being about Rs.30crore each and that of the LIC being, Rs.15 crore only. The total loan outstanding has been increasing and has crossed the level of Rs.200 crore in the new millennium.

However, for purchasing new buses, the KSRTC has been borrowing money from the state government, the KTDFC, the HUDCO, etc. The KTDFC is giving loan for seven years and charging interest at 10 percent to 13 percent per annum, the HUDCO has given loan for three years and is charging interest at the rate of 13.25 percent. The state has also been giving loans without charging any interest on it but it seems a particular loan was recently paid back or adjusted otherwise.

Reserves maintained by corporations are for meeting various eventualities in the form of reserves, funds and provisions. Data available did not uniformly adopt, it seems, one single definition for aggregation. There is therefore some problem in interpreting it. And administrative annual reports and audit & accounts reports are also not available to enable us to generate a consistent series.

Profit and loss account of KSRTC shows that this corporation has been incurring losses almost from the beginning. Barring the year of 1994-95, it went on accumulating losses each year without fail—starting from Rs.4 lakh in 1967-68. In 1981-82 it stood at Rs.71 crore and in the beginning of the nineties, about Rs.225 crore. It has scaled up over Rs.1000 crores by now.

As per ASTRU data, value of net fixed assets, like land, buildings and buses, was around Rs.150 crore in the early nineties but slowly went up to Rs.350 crore in 2000-01.

Capital employed has normally been positive. But current liabilities, including salary unpaid, being higher than current assets, made the net current assets negative. Low value of net fixed assets coupled with high negative value of net current liabilities implied negative figures of capital employed since 1999-2000.

Capital invested also became negative because of accumulated losses surpassing the sum of all capitals including governmental contributions to capital and sundry reserves. Loans obtained by this corporation have always been more than the net value of fixed assets of the KSRTC. This is the reason that net worth (in terms of stocks) has always been negative.

B.11.5: Revenue Analysis of the KSRTC

Revenue collection by the KSRTC has been good and shows a gradual and steady increase during the nineties. In the year 1991-92 revenue collection was Rs.204.96 crores, which gradually rose to Rs.614.83 crores in 2001-02, including a small sum on the part of non-traffic revenue.

Fare structure and occupancy ratio are two important inter-related components of revenue collection. In 1992-93 the occupancy ratio was 97.23 percent, which could be said to be commendable. However, then there is continuous decline, except for once-a-while quantum jump in 1999-2000, and it fell to 68.09 percent in the year 2001-02. The drop in 2000-01 is 16 percent points from 90.65, which is too drastic to be acceptable to anybody.

This drop is responsible for too low a rise in revenue. It may be noted kilometerage run of the fleet as of the bus on an average had improved considerably over the year. This improvement in bus productivity raised only the cost but not revenue due to drastic fall in occupancy ratio.

Looking at the pattern of fare structure we see that, there was upward revision of fare in all services provided by this corporation in the years 1994-95, 1995-96, 1999-2000, 2001-02 in the recent past. It is observed that revenue increase is also significant in these years. However, it is possible that rise in fare is also partly responsible for significant fall in the occupancy, along with competition from the private operators. Demand in the face of competition would not remain inelastic for a particular undertaking.

Date	Ord	F/Passg	S/F Pass	Exp	S/Exp	Deluxe	S/Deluxe	Hike in %	Occp
23.08.92	15	18	20	22	23	25			97.2
01.04.94	18	22	24	27	28	30	32	20-25	86.7
19.08.96	22	27	29		34		39	20-25	84.6
21.10.99	28	34.5	37		43.5		50	25-30	84.5
01.10.00	35	43	46		54		63	20-25	68.1

It is important to see that if occupancy could be retained at 84 percent level, then revenue would have reached almost the level of cost. However, occupancy could be increased perhaps by reduction in fare! That raises commercial revenue and reduces social cost. But the corporation demands autonomy for revision in fare according to increase in cost, which is in terms of per kilometer.

B.11.6: Cost Analysis of the KSRTC

But cost incurred by the KSRTC has always been outstripping revenue collection. There is an increase of over Rs.100 crore each in two years of 1999-2000 and 2000-01. It is basically a consequence of massive recruitment in the year (4300) and the previous one (5000). One may note that personnel cost rose substantially in these years. Personnel cost in this corporation includes not only salaries and bonus etc but also pensions. Service in this corporation is pensionable since 1984/86.

It is pointed that out of the total employment of over 32000, around 10000 are empanelled, of which only 1500 are called duty at any given time. It is further pointed out that the employees enjoy leave of 127 days, about 35 percent of the year—weekly off 52 + casual leave 20 + holidays 15 + medical 20 + earned leave 20. On these days sbstitute could be arranged. Pension has to be paid out of own funds.

The fuel consumption in terms of KMPL (HSD) has been pretty bad though it is slightly improving. It is below 4, which should be raised to 5. This alone would reduce the cost by 5

percent. Yet it should be expected that stages in this state are likely to be smaller as the state is densely populated.

Personnel cost in the KSRTC is almost 50 percent when the cost includes taxes, interest and depreciation. Excluding some of these components, the percentage will further rise. Bringing down the staff-bus ratio from the present level of 9.7 to 5.0 would easily bring down the personnel cost from Rs.360 crore to Rs.200 crore. The saving of Rs.160 crore is a little more than the present level of loss. It ay noted that in the total employment, one-third are in the empanelled category, of which only one-third is used at any point of time.

But will the reduction suggested be possible? We should note that in pensionable service, with no scheme of voluntary retirement, there would be a perennial burden. If bus staff ratio is reduced by increasing the size of fleet, then occupation ratio is likely to go down as there is possibility of opening newer routes. The state is fully road connected.

The two key elements, which can turn around the scene are (i) reduction in personnel cost through rationalization of bus-staff which is on too high side and (ii) improvement in occupancy ratio even through calibrated reduction in fares.

External capital consists of total capital contribution by two governments and total loans from all sources. The average rate of interest on external capital works out to be 11.5 percent, which is on higher side. This may be because of risk element. Loan needs to be restructured and this cost needs to be brought down.

There is no passenger tax in Kerala. Motor vehicle tax is levied according to class of service per seat and per standee and also on reserve/spare buses. Taxes received by the state from KSRTC was Rs.10.20 crore in 1991-92, which gradually increased and reached the level of Rs.35.30 crore in the year 2001-02, a little lower than the peak achieved in recent past. The tax revenue ratio rose from around 5 percent in 1991-92 to 9.84 percent in 1994-95 but came down to less 6.0 percent.

Net profit (Total revenue – Total cost) of the KSRTC has been negative throughout the period since 1991-92. Due to significant increase in cost after the year 2000 without commensurate increase in revenue despite increase in number of buses, net loss incurred by this corporation has increased significantly. The scene is: when cost rose by Rs.200 crore, revenue rose by Rs.100 crore.

The KSRTC takes both buses and others assets into consideration for depreciation. Average rate of depreciation for the decade works out to be 19 percent, which may be reasonable.

B.11.7: Physical Performance of the KSRTC

Fleet utilization ratio has been continuously deteriorating and has come down by 6 percent points in a decade from 82 percent in 1991-92. This has happened despite the fact that bus fleet is getting somewhat younger.

Number of buses on road has always been almost 1000 lower than average buses held buses in recent years, which means around 25 percent buses are always sick and in the workshop. The fleet utilization is worsening and low (77 percent)

There is a gradual decrease in employment from 30572 in 1991-92 along with stagnant fleet on road to 25010 till 1998-99 but then the position of 1991-92 got almost restored in 1999-2000 without adequate increase in fleet. Data shows that increase in fleet size followed recruitment while normally the course of events is otherwise.

Bus staff ratio per bus on road, which is calculated by dividing total staff by number of buses on road was 10.77 in the late eighties. There is a gradual decline throughout the decade and the lowest of 7.39 was touched in 1999-2000. Average bus staff ratio in 2001-02 works out to be 9.46, with driver-bus ratio and conductor-bus ratio both being more than 3. Of course, the vehicle productivity in terms kilometers has been improving from 1996-97 exception being 2000-01, when the drop was almost 20 percent.

B.11.8: Fiscal Impact on the State Budget

Against the capital contribution provided by the state government, KSRTC was supposed to be paying interest at 6.25 percent per annum. In the year 1992-93, state has received interest of Rs.19.32 crores whereas KSRTC should be paying Rs.3.42 crores only according to the norm. This extra payment could be there if there was some loan component or arrears. Now this due payment is reaching around Rs.5 crore while actual payment is around Rs.7 crore. Information on actual interest payment is not available for many years.

No subsidies are provided to the corporation by the state, except once in 1997-98, which is also reported in terms of capital contribution. Receipts by the corporation are sporadic, mostly in terms of capital contribution or loan.

Total receipts by the state from the KSRTC have been increasing steadily throughout the decade. We observe a steady increase up to Rs.60.00 crores in the year 2001-02. The KSRTC also faces burden on account of concessions announced by the government. The burden is very significant as this amount is found to be increasing from around Rs.20 crore in 1991-92, this has risen to Rs.75 crore in 2001-02. If this burden were also taken into account, then total flow to the State would be Rs.135 crore in 2001-02.

On balance, the State is a net receiver of resources normally but occasionally the SRTU also gets budgetary support from the state. It is so when the state contributes to the KSRTC in terms of capital/capital grants.

Based on this, we now project the net flows from the state to the KSRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing a huge amount of funds to the state exchequer, to the tune of around Rs.230 crores.

	Kerala	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	8.48	8.79	9.10	9.40	9.71	10.02
2	Subsidies/Reimbursement from the state (S)	0.00	0.00	0.00	0.00	0.00	0.00
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	8.48	8.79	9.10	9.40	9.71	10.02
4	Interest received by the State (Int.)	5.74	5.32	4.90	4.48	4.06	3.64
5	Non Passenger Taxes received by the State (NPT)	59.58	63.21	66.84	70.47	74.10	77.74
6	Total Receipts by the State from the STRU (R_{state})(4+5)	65.32	68.53	71.74	74.95	78.16	81.38
7	Burden on the SRTU due to Concessions (B)	106.71	117.07	127.43	137.80	148.16	158.52
8	Effective Receipts by the State (ER_{state})(6+7)	172.02	185.60	199.17	212.75	226.32	239.90
9	Net Flow from the State (NF_{state}) (3-8)	-163.54	-176.81	-190.08	-203.35	-216.62	-229.88

B.11.9: Viability of the KSRTC

KSRTC has been a loss-making corporation. Accumulated losses have increased continuously from Rs.224 crore in 1991-92 to Rs.1028 crore in 2001-02 but net margin is around (-)Rs.175 crore in recent times. Occupancy ratio was very good till 2000-01, it was around 80 percent but in 2001-02 it dropped significantly to 68 percent. Bus staff ratio per bus on road of the KSRTC is very high i.e. 9.68 in compared to other major transport

corporations. This results in the personnel cost of the KSRTC to be very large. So if some employees opt for VRS then the corporation will be in a better position to handle its finances and hope to turnaround in the near future. But there is no scheme for VRS as there is no money.

B.11.10: Suggestions

Privatisation cannot be a viable option, as the private operators cannot easily substitute it in the near future. So VRS is an alternative option to reduce the cost of the corporation, thereby improving its commercial viability. However the state is not in a position to finance the VRS cost of the employees. Therefore help is warranted from other sources, viz., grant from the Planning Commission, as it has already been done in the case of ASMSTC. Reduction in personnel cost and improvement in occupancy ratio are two main elements for making it turn around.

B.12
MADHYA PRADESH

B.12.1: The State

The state of Madhya Pradesh was formed on the 1st of November 1956, under the provisions of the States Reorganization Act, 1956. In 2000 a large portion of the state has become a separate state of Chhattisgarh. The state covers an area of more than 3 lakh sq. km. and has a population of over 6 crore. This centrally located state has Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Chhattisgarh, and Uttar Pradesh as its surrounding neighbours.

B.12.2: Passenger Transport in Madhya Pradesh

A major portion of the state, before recent bifurcation, used to be tribal. The MPSRTC therefore had added responsibility in development of the state. Even within present boundaries, buses are the only mode of transport, which can provide the mobility to the interior parts of the state. In M.P. only 25 per cent villages are connected with all-weather roads, as compared to 100 percent villages in Kerala, Goa, Haryana, and Punjab.

Total number of passenger buses in Madhya Pradesh was 23590 in March 2002. The public sector has about 2200 buses, accounting for less than 10 per cent of the total number buses in the state. However, only 1665 buses of these were on road at the end of 2002-03. This number has slightly improved but the number with all private operators should have increased at a faster rate.

B.12.3: Madhya Pradesh Road Transport Corporation (MPRTC))

There is only one public sector undertaking in the public passenger transport sector in Madhya Pradesh. It is a statutory corporation, earlier named as the Madhya Pradesh State Road Transport Corporation (MPSRTC) and now named as Madhya Pradesh Road Transport Corporation (MPRTC). It was established on 21st May 1962, after merging Madhya Bharat Roadways and Central Provinces Transport Services, which operated in Madhya Bharat and Mahakoshal respectively. The main objective of the MPSRTC, as of other SRTUs was to prevent exploitation of passengers in the hands of private bus operators and to provide them the economical and comfortable bus services.

The MPSRTC runs four types of bus services: (i) city transport service (ii) rural transport service, (iii) inter-state transport service, and (iv) special bus service. The MPSRTC already has 5 depots in Raipur, the capital of Chhattisgarh, which will continue functioning as before as the Government of Chhattisgarh has decided not to establish a separate State Transport Undertaking (STU) in the state. There are around 300 buses here, which cover a total distance of 76660 km per day. So on an average, each bus covers a distance of about 256 km. Though there are private buses available, but their fares are higher than those for the STU buses.

However, on 31st December 2002, the MPSRTC was dissolved to form the Madhya Pradesh Road Transport Corporation (MPRTC). The assets and liabilities of the units operating in Chhattisgarh were given to the Chhattisgarh Infrastructure Development Corporation (Raipur) and the rest were given over to Madhya Pradesh Road Transport Corporation. As a result of which several alterations took place in the overall structure of the corporation, which is shown in the table below. Operations of bus services from 10 depots were terminated, which resulted in the fact the number of routes in operation was reduced by more than 300. Not only that the number of Inter-State routes were also reduced from 240 to

219. Due to the dissolution of the MPSRTC into MPRTC, there has been a major reduction in the number of employees, from about 14000 to just over 11000, a fall of about 21 percent.

Particulars	Till 31st December 2002	After 31st December 2002
Divisions	10	8
Depots	56	46
Sub Depots	30	11
Routes	1361	1034
Buses	2211	1745
Inter-State Routes	240	219
Buses for this purpose	520	479
Scheduled Trips	811	769
Staff		
Administration	3526	2911
Traffic	6683	5288
Workshop/Maintenance	3719	3005
Total	**13928**	**11024**

The MPRTC buses ply on inter-state routes to Mahrashtra, Gujarat, Orissa, Andhra Pradesh, Uttar Pradesh, Rajasthan, Haryana (and Punjab) and Delhi.

The MPRTC leases in private vehicles too, on which at some point of time it lost money. It was decided that the corporation should not lose money on these things.

B.12.4: Capital Structure of the MPSRTC (now MPRTC)

Under section 23(1) of the Road Transport Corporation Act, 1950, the State Government and the Union Government had agreed to contribute the capital in the ratio 3:1, which was revised in April 1969 to 2:1. Since 1986-87 the Central Government has decided to contribute to the capital of those undertakings, which either make profit or are able to show 20 percent reduction in the losses in the previous year. On 31st March 1990, it is reported, the contributions of state government and central government were Rs.93.34 crore and Rs.28.38 crore respectively.

However, when we study the recent figures, we find the ratio is actually 4:1 in 1992-93. With fresh contributions by both the governments the ratio improved to 3:1 next year. But in the next few years, the corporation had further contributions to this base from the state government without any from the Union. The ratio is now a little better than 7:2. However, in 2002-03, the capital contribution from both the State Government and the Union Government fell by some margin. As such the total capital contribution was only Rs.142 crores in 2002-03, as compared to Rs.182 crores in the earlier years.

But during the mid nineties, as per information available to us, some of the capital contribution of both these governments had been converted into share capital. As such of the total capital of about Rs.182 crores in 2001-02, Rs.75 crores is capital contribution and the rest of Rs.108 crores is share capital. In the table below we show the contribution by both the State Government and the Union Government towards the capital contribution and share capital (in Rs. crores):

Particulars	Till 31st December 2002	After 31st December 2002
Capital contribution	**74.68**	**58.07**
State Government	65.45	50.89
Union Government	9.23	7.18
Share Capital	**107.63**	**83.68**
State Government	75.90	59.01
Union Government	31.73	24.67
Total Capital contribution	**182.37**	141.79

The State Government provides loans to the MPSRTC, which amounts to Rs.23 crores. Not only that it is also providing loans for VRS under the State Renewal Fund of an amount of Rs.100 crore and Rs.167 crores in two installments in 2001-02.

Apart from that the MPSRTC also depends for loans on other sources as well such as the IDBI, the LIC and commercial banks (Punjab National Bank, State Bank of India, State Bank of Bikaner and Jaipur, and Allahabad Bank). The amount of which is not much and stands at mostly Rs.20 crore taken together in all the years. Together with capital contribution and share capital, this constitutes the MPSRTC's external capital, which is just over Rs.300 crore in 2002-03.

Our database on reserves/funds is weak as the ASRTU reports reported it nil till 1996-97. For March 1997, it came out with a figure of more than Rs.500 crore. However, one discovers that land worth Rs.1 crore was revalued at Rs.470 crore in this year. A revaluation reserve of about Rs.500 crore was created. Believing the figures of the ASTRU, the reserves of the MPSRTC are building up, which forms a strong base of the corporation's own (internal) capital. At times it was double the amount of external capital as in most part of the nineties and in the recent past. From Rs.500 crores in 1995-96 it reached Rs.645 crores in 2001-02, but only to fall to less than Rs.500 crores in 2002-03.

The MPSRTC has been a loss making statutory corporation. Except in 1991-92, when it earned a marginal profit of Rs.27 lakh, it has been incurring losses throughout the nineties and beyond. However, the accumulated losses have been large and growing fast. Thus, the accumulated losses kept rising alarmingly to reach a huge figure of Rs. 780.54 crores in 2001-02, i.e., in ten years' time they became five fold (Rs.780 crore). However at the end of 2002-03, it was more than Rs.860 crores.

Capital employed is the sum of net fixed assets and net current assets. In the early nineties, 1991-92 to 1994-95, net current assets being negative, offset the net fixed assets completely; thereby a negative figure of capital employed was obtained for this phase. However, somewhere in 1996/1997, land is revalued from Rs.1.01 crore to Rs.470.54 crore and buildings from Rs.16.31 crore to Rs.53.60 crores. Thus, net fixed assets showed a sudden rise and therefore, despite a negative net current assets capital employed is now quite substantial. Another interesting feature to note is that capital invested is more or less the same as the capital employed.

However, after the MPSRTC was dissolved, the current assets (excluding buses and stores) and liabilities including loans and advances are to be shared on the basis of the formulae arrived midway between the formulae suggested by the Government of Madhya Pradesh and Chhattisgarh, i.e., between 18:82 suggested by Chhattisgarh and 26.49:73.51 suggested by Madhya Pradesh. Buses and store are to be valued on the basis of actual location.

B.12.5: Revenue Analysis of the MPSRTC (now MPRTC)

The traffic revenue collection in the MPSRTC has not been remarkable to say the least. Over a decade, it increased from just over Rs.150 crore to only Rs.220 crore in 1999-2000. However, in the next two, 2000-01 and 2001-02, the traffic revenue collection was Rs.272 crore and Rs.244 crore respectively. After the division, the revenue is likely to be Rs.200 crore. This has mainly to do with the occupancy ratio, which has below 60 percent in the recent past. The non-tariff revenue was only 2-3 percent of the total revenue, except in 1991-92 when it was 8 percent. Moreover, it is not that the corporation had to incur loss of

potential revenue due to the burden of concessional travel, as the burden had been at the most Rs.10-13 crores.

To augment its total revenue earnings the corporation has recently been putting more emphasis on non-traffic revenue. The corporation has decided to build shopping complexes under the Built-Operate-Transfer (BOT) scheme in the divisions of Chhindwara, Nagpur, Gwalior, Shajapur, Indore and Rewa. Apart from that banners of MPRTC are to be put up in the buses.

B.12.6: Cost Analysis of the MPSRTC (now MPRTC)

Except for the year 1991-92, when the cost recovery ratio was one, it was never good during the period for which information is available. From 1992-93 onwards, the cost recovery ratio has been continuously falling from a level of 80 percent in the early nineties to 64 percent in 2001-02. After division, for three months, it is below 75 percent, which may not representative the whole year. In general, the gap between the total cost and total revenue has been widening over the period.

Material cost accounts for almost 37 percent of the total cost, which is mainly due to the huge expenditure on fuel, about 70 percent of the material cost. The efficiency of fuel consumption in the MPSRTC is now around 4 KMPL, which came down gradually from 4.25 in 1991-92. This is on the lower side and worsening while in the APSRTC it was on higher side and improving. The MPSRTC consumes 25 percent more HSD per kilometer.

One could well surmise that there is some scope of improvement here, which could lead to fall in the cost. But one does of course feel that the major cause of increase in fuel expenditure may be the bad conditions of the roads. Improving them will also have immediate cost! One also feels that there are so many barriers on highways, leading to frequent stoppages and increase in fuel consumption.

The personnel cost in the MPSRTC is around 35 per cent, which has been falling steadily over the years. At present, it accounts for only 20 percent. In fact, employment of the staff in various categories has been falling lately. But there has been a sudden drop in employment since in 2001 and 2002—which was of an order of 30 percent. As against, normal retirement of 337 during the year, voluntarily retired on 31.10.2001 and 28.02.2002 were 4459.

However, the bus-staff ratio is still a cause for concern. It was around 10 on an average in the nineties and gradually rose 13.6 in 1996-97. However, it has improved considerably to 8.0 in 2000-01 and then to 6.6 in 2001-02 and 5.63 in 2002-03. The method adopted was not so much purchase of more but real reduction in number of employees. Intriguing part of the story is that despite such a great drop in bus staff ratio from 8.0 to 6.6 and then to 5.63, the cost recovery ratio worsened in 2001-02 and 2002-03 while in 2000-01 with the drop from 11.6 to 8.0 in bus staff ratio the cost recovery ratio has improved a bit from 78 percent to 81 percent.

The tax rate as a percentage of total revenue is quite high. It had reached a level of 21 per cent in the mid-nineties. However at present it is 14 per cent, which is still quite high. In MP, the State Government collects motor vehicle tax, passenger tax and other fees etc. However, the major tax is motor vehicle tax, which accounts for in terms of revenue around 85 percent. It is levied in terms of charges per seat according nature of service and distance of travel. There is some discrepancy on information regarding passenger tax as amount is given and rates are not!

The rate of depreciation, which was about 6-7 per cent in early years of the nineties, is just 1.5 percent because the asset value of buses has been just around Rs.100 crore whereas that of other assets particularly of land was changed.

B.12.7: Physical Performance of the MPSRTC (now MPRTC)

To start with, the fleet utilization is not commendable in the MPSRTC. A considerable number of buses are not in use. The fleet utilization ratio is low and falling and has come down to 76 percent (which once was even 66 percent in the mid nineties). It is difficult to ascertain to what extent the road condition should be held responsible for this.

The widening gap between the total cost and total revenue owes to a drastic fall in the occupancy ratio. In most of the years 1991-92 through 1999-2000, the occupancy ratio was around 70.0 per cent but in the recent past it fell drastically to below 60 per cent. There is urgent need to improve occupancy ratio so as to earn more revenue. Hence, raising the occupancy ratio is one of the most important tasks ahead of the corporation in order to break even in the next few years. In this respect, the corporation has decided to operate good and comfortable buses on the revenue earning routes. For an experimental basis, two routes has been identified- a) Bhopal to Indore, and b) Jabalpur to Nagpur.

However, there appears to be some inverse relationship between the occupancy and rise in bus fare, though not very strong. See the table (fare in paise). But there was no rise till March 2003 and yet the occupancy was going down. Then, one has to look for structural factors. May be private buses are doing much better!

Date	Ordinary	Express	N/Express	Luxury	Hike in %	Occupancy
04.07.85	14					
07.02.91	20	24	22	28	43	80
26.12.94	22	27.5	25.3	33	10-18	79
01.06.95	24	30	27.6	36	10	70
03.12.97	30	37.5	34.5	45	25	73
24.10.99	40	48	44	56	25-30	59

With 77 percent fleet utilization and 59 percent occupancy ratio, if the MPSRTC came up with 64 percent cost recovery ratio after including motor vehicle tax in cost, it is a bit surprising.

B.12.8: Fiscal Impact on the State Budget

The state government provides capital contribution and share capital to the MPSRTC. In return, the corporation is liable to pay interest on that contribution at 6.25 per cent per annum on capital contribution part. Other than interest, state receives taxes from the MPSRTC/ MPRTC. The taxes paid by the corporation consist mainly of Motor Vehicle Tax.

Now let us compare the outflow from the MPSRTC and the state of Madhya Pradesh. The receipts of the corporation is more or less nil as it receives no subsidies from the state government while it helps the state government in pursuing its social policy of concessional travel to various segments of the population. On the other hand, the receipts of the state from the corporation are about Rs.30-40 crores. So it is obvious that the state is a net receiver in the bargain. In fact, the corporation receives far less, if at all, than what it contributes to the state exchequer. Based on this, we now project the net flows from the state to the MPRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing some amount of funds to the state exchequer, to the tune of around Rs.35 crores.

B.12.9: Viability of MPSRTC (now MPRTC)

If the state government did not prefer to get returns in term of tax revenue and instead preferred profit or return on capital from MPSRTC, then the profitability of the corporation would have shown a somewhat different picture. It is true that the MPSRTC/MPRTC has been incurring losses, but if we take the above view into account, perhaps the correct interpretation would be that these losses are government imposed and if the total contribution of MPSRTC to the state exchequer is taken as the indicator which it really should be, then the position of this corporation in this respect cannot be said to be dismal.

	Madhya Pradesh	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	10.80	11.45	12.10	12.76	13.41	14.06
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	10.80	11.45	12.10	12.76	13.41	14.06
4	Interest received by the State (Int.)	3.70	3.82	3.95	4.07	4.19	4.32
5	Non Passenger Taxes received by the State (NPT)	28.21	28.65	29.10	29.54	29.99	30.44
6	Total Receipts by the State from the STRU (R_{state})(4+5)	31.90	32.47	33.04	33.62	34.19	34.76
7	Burden on the SRTU due to Concessions (B)	10.77	11.41	12.06	12.70	13.35	13.99
8	Effective Receipts by the State (ER_{state})(6+7)	42.67	43.89	45.10	46.32	47.53	48.75
9	Net Flow from the State (NF_{state}) (3-8)	-31.87	-32.44	-33.00	-33.56	-34.12	-34.68

B.12.10: Suggestions

The dismal nature of its finances is reflected in the cost recovery ratio, which has been in the range of 70-75 percent in most of the years. In fact, the situation has become very precarious at the end of 2002-03, when the cost recovery ratio has been only 47 percent. So not only the costs have to be reduced, measures have to be taken to increase the revenue collections.

It is to be said that the corporation has to improve its operational efficiency by some margin so as to reduce its costs. A major negative trait of the MPSRTC is that with a fleet utilization of only 75-80 percent, implies that quite a number of its buses are off the road. Not only that the average age of its buses is more than 10 years, which means the cost of operation is much larger as over-aged buses entails more costs in the form more fuel consumption, frequent breakdowns, greater expenditure on repair and maintenance. So one of the major mode of action for the corporation would be to replace the over-aged buses on a regular basis.

Turning towards the revenue side, measures need to be undertaken to improve the occupancy ratio. But as we have seen that in some cases, occupancy is adversely affected by the revision of fares. Since the revenue earned is the product of the occupancy and the fares, so the changes have to be so effected so as to raise the revenue collections ultimately. More emphasis is to be given on the economical routes to improve its commercial viability along with its social obligations. Measures to improve the non-traffic revenue, as has been undertaken recently like renting out premises, giving licenses to private parties for opening stalls, restaurants, kiosks, telephone booths etc can also be an option.

The MPRTC seems to be deciding to anchor at a fleet size of 1500 and no recruitments, which they have pursuing since July 5, 1995 as there was imposed ban on recruitment, including that on compassionate ground.

B.13
MAHARASHTRA

B.13.1: The State

As a result of reorganization of State in 1956, the State of Bombay ceded areas of Belgaum, Hubli and Bijapur to the State of Mysore, which came into being, but annexed Saurashtra and Kutch on the one side and Nagpur and Marathwada on the other. However, the state of Bombay was bifurcated four years later into Maharashtra and Gujarat on 1 May 1960.

Presently covering an area of more than three lakh sq. km. and having a population of more than 9.5 crore, the second largest in population after UP, it is one of the leading states of India, industrially as well as commercially. The total road length in Maharashtra is 361893 km. in a total land area of 308000 sq. km. The road density is therefore 1.18 km per sq. km. As the state is not very densely populated, the road length per lakh of population is around 386 km.

B.13.2: Passenger Transport in Maharashtra

Passenger buses in Maharashtra numbered around 67570 in 2002-03, of which around 22000 were in the public sector. The public sector buses are the ones either on road or otherwise in use. The share of public sector is thus around 33 percent. Of those in public sector, about 80 percent are with the Maharashtra State Road Transport Corporation (MSRTC), the rest being with municipal undertakings.

Following the recommendations of Transport Advisory Council 1945 and the Post-War Policy Committee on Transport, the Province of Bombay, as also others, tried to experiment with joint stock companies, under tri-partite scheme, involving (i) Indian Railways (35 percent), (ii) state Government (35 percent) and (iii) motor bus-operators (30 percent) as the share-holders. But it did not work. Just after independence, a Road Transport Corporation Act was passed in 1948, which enabled the Provinces/States to form State Road Transport Corporation(s).

Bombay was the first to react and form a corporation on 17 November 1949. But the Act itself was declared *ultra vires* for lacunae in the Act and BSRTC was deemed not to have existed. The Act was repealed by enactment of Road Transport Corporation Act 1950 which gave it life again. Some of its divisions were ceded to Mysore State in 1956.

The move for nationalization of public passenger transport in Maharashtra started in April 1948 with establishment of State Transport Department in the Government. Starting in June 1948 in Ahmednagar pocket of Poona Division with a fleet of 35 Bedford make buses, the BSRTC gradually covered all areas by obtaining permits for new routes under Chapter IV of the Motor Vehicle Act, 1939. Total nationalization was completed in the year 1974. Because of changes in territories having their own transport undertakings some interim arrangement was made in the shape of Transport Road Transport Undertaking Department for overseeing the operations of transferred undertakings, which were finally merged with the MSRTC with effect from 1 July 1961.

There is only one organization in the public passenger transport sector in Maharashtra, namely the Maharashtra State Road Transport Corporation (MSRTC). It is a statutory corporation. Apart from that, there are six other Municipal Undertakings (MU). They are:

- Brihan Mumbai Electric Supply and Transport Undertaking (BEST)
- Kothapur Municipal Transport Undertaking (KMTU)
- Navi Mumbai Municipal Transport (NMMT)
- Pune Municipal Transport (PMT)
- Solapur Municipal Transport Undertaking (SMTU)
- Thane Municipal Transport Undertaking (TMTU).

Number of buses held by all public undertakings is about 22000. The distribution of buses (as on 31.03.2003) across public undertakings is as given below:

Undertaking	Number of Buses held	Percentage of buses in public sector
MSRTC	17104	77.53
BEST	3380	15.32
PMT	890	4.03
TMTU	264	1.20
SMTU	146	0.66
KMTU	100	0.45
NMMT	176	0.80
Total	**22060**	**100.00**

B.13.3: The Maharashtra State Road Transport Corporation (MSRTC)

Obviously, MSRTC is the largest transport undertaking in Maharashtra in terms of the fleet strength. During 2002-03, the MSRTC held 17104 buses, which consisted of Ordinary, Semi-luxury, Deluxe, Air Conditioned, Janata, Mini, Midi and buse for city services. Apart from that of all the public undertakings in Maharashtra, the MSRTC also caters to rural and inter-city services. The rest of them cater only to urban services, of which BEST is the most prominent. The number of routes operated by the MSRTC had increased from 18916 in the early nineties to over 20000 in the late nineties. However in the recent times it has fallen well below that level to about 18868.

Regarding the inter-state routes, 769 inter-state routes are allotted to the state of Maharashtra under reciprocal Transport Agreement, of which only 607 (79 percent) are operated by the MSRTC. The position of the number of inter-state routes allotted to the state of Maharashtra is shown below:

Name of the State	Routes Allotted Reciprocal Transport Agreement		
	to Maharashtra	to the other states	Total Routes
Karnataka	486	399	**887**
Madhya Pradesh	99	54	**153**
Goa	26	22	**48**
Gujarat	26	23	**49**
Andhra Pradesh	132	109	**241**
Total	**769**	**607**	**1376**

In order to curb clandestine operation of the private operators and to provide faster and safe service to the passengers especially on short distances, where the incidence of clandestine operation is high, the MSRTC has introduced 200 mini buses having 20 seating capacity. These buses are run on short distance and high traffic density routes.

The working of the MSRTC is based on a four-tier system, i.e., Central Office in Mumbai, Regional Offices situated in Aurangabad, Mumbai, Nagpur, Pune, Nasik and Amravati, Divisional Offices situated at the district headquarters and Depots located at

Tehsils and important traffic centres. The number of depots has increased from 223 in the early nineties to 242 at present. In addition there are three Central Workshops where the work of bus body building and reconditioning is carried out. As the MSRTC is the only statutory corporation in Maharashtra, the authority to audit its accounts is entrusted to the CAG of India, under section 33(2) of the Road Transport Corporation Act, 1950.

B.13.4: Capital Structure of the MSRTC

The Government of Maharashtra provides financial support to the MSRTC in the form of (i) contribution towards (equity) capital and (ii) contribution towards loan capital. The union government does participate in the capital contribution though the state government has always been the major contributor. The capital contribution is provided at a rate of 6 percent per annum. This financial aid is mainly utilized for purchase of new buses. The state government continues to provide financial support to the MSRTC in the form of capital contribution.

Since 1996-97 the centre's capital contribution has stagnated while the state's capital contribution has increased substantially. From this we can infer that the union government has lost interest in continued nationalization of passenger road transport. However, considering the alarming financial position of the MSRTC, the state government has provided capital contribution of Rs.120.87 crores at the rate of 6 per cent during 2002-03. The remaining amount is accounted by the fact that the State Government has allowed the MSRTC to retain 5.5 percent passenger tax of the mofussil services in the form of capital contribution. We present below the details of the capital of the MSRTC for the year 2002-03.

S. No.	Capital & Liabilities	Amount (in Rs. crores)
1	Equity Capital from the State Government	138.20
2	Equity Capital from the Central Government	56.77
3	**Total Equity Capital (1+2)**	**194.97**
4	Non-interest bearing additional Capital Contribution	5.18
5	Capital Grants from the State Government	3.80
6	Interest bearing Capital*	335.98
7	Loans from Commercial Banks	135.50
8	Loans from the LIC	17.72
9	Loans from the IDBI	0.06
10	Public Deposits	168.56
11	**Total Loans Outstanding (4+5+6+7+8+9+10)**	**666.81**

* This is the amount, which the MSRTC has received on account of the capital contribution from April 2000 to March 2003.

During the period 1995-96 to 1998-99 loan capital exceeded the capital contribution. But after that, loan capital is again less than capital contribution. Since capital contribution includes every variety of capital—equity share to interest bearing loan to capital grant, concept of debt-equity ratio is not immediately applicable. Loan capital, say for purchase of buses, has been provided by the IDBI, the LIC and Commercial Banks as well as public deposits. No debentures were floated by the MSRTC.

It is observed that the MSRTC has been accumulating losses instead of profits, which has shown a rising trend throughout the period since 1995-96. One interesting feature to note is that, the accumulated losses far exceed the total capital contribution (paid-up capital). In fact, in 1999-00 and 2000-01, they exceeded the contribution capital by more than twice. General and other reserves show are increasing trend throughout this period. It forms a strong base of the corporation's internal capital.

Capital invested is defined as the sum of the External Capital and Internal Capital. External capital is the sum of capital contribution and loan capital, while Internal Capital is the sum of the General and other reserves and the Accumulated Profits/Losses. Between 1991-92 and 2001-02, capital invested has grown by about 25 percent as against 100 percent increase in the case of reserves. This is because accumulated losses have had a dampening effect upon it.

Capital Employed is defined as the sum of the Net fixed assets (NFA) and the Net current assets (NCA). Value of fixed assets is the difference between the Gross fixed assets (GFA) and depreciation (D), i.e. NFA=GFA-D while the Net current assets (NCA) is the difference between the Current assets (CA) and the Current liabilities (CL), i.e., NCA=CA-CL. Capital employed has doubled during since 1991-92. Capital employed figures are almost the same as those of capital invested, except for the first few years when it was lower and the last few years when it is higher.

Net Worth is defined as the difference between the Capital Employed and the Outstanding Loan Capital. It has also grown considerably, though there has been a dip towards the late nineties, when loan capital exceeded the capital contributions. It needs to be noted that capital invested, capital employed and net worth are all positive. It is a great hope for future.

B.13.5: Revenue Analysis of the MSRTC

Now we analyse the revenue earnings of the MSRTC. For that we take the figures of the latest years, 2001-02 and 2002-03 for which detailed data, in terms of sub categories of passenger revenue and other traffic revenue as well as non-traffic revenue, are available.

Revenue analysis of the MSRTC (in Rs.crores)

S.No.	Particulars	2002-03	2001-02
1.	Passenger Revenue		
a)	Sale of tickets	2636.98	2552.90
b)	Casual contracts	23.07	23.29
	Sub Total	2660.05	2576.19
2.	Other Traffic Revenue		
a)	Passenger luggage & Parcel	11.38	10.97
b)	Carriage of Postal Mail	2.35	2.15
	Sub Total	13.73	13.12
	Total Operating Revenue (1+2)	**2673.78**	**2589.31**
3.	Non-Operating Revenue		
a)	Advertising	0.91	2.42
b)	Rent	1.33	1.26
c)	Revenue from sale of scrap material	13.72	13.49
d)	Revenue from sale of scrap vehicles	12.17	13.51
e)	Interest	1.76	1.03
f)	Other Miscellaneous Receipts	23.84	20.47
	Total Non-Operating Revenue	**53.73**	**52.18**
	Grand Total (1+2+3)	**2727.51**	**2641.49**

Revenue from passenger travel casual contract has increased over the previous year mainly due to the fare revisions because passenger kilometers and the occupancy ratio have both come down though by small measure. Therefore increase in revenue could be attributed to upward fare revision. The sale of tickets has increased by over Rs.80 crore over the previous year. In terms of magnitude other items are inconsequential as the non-traffic revenue is itself less than this increase. The non-traffic revenue has increased marginally by Rs.1.50 crore though the advertising revenue actually fell.

B.13.6: Cost Analysis of the MSRTC

To begin with, personnel cost accounted for about 45 percent of the total cost in the MSRTC five years, which has now come down to 36 percent. It is substantial reduction. However, if passenger tax collection is excluded from the cost then it is found to be above 50 percent, which is now barely above 40 percent.This is one aspect, which all SRTUs should worry about. However, saving grace about MSRTC is that it is coming down and appreciably—in five years by 8-9 percent points.

Year	Total Cost	Passenger Tax	Net Cost	Personnel cost	Personnel cost as % of	
					Total Cost	Net Cost
1997-98	1733.94	248.06	1485.88	781.04	45.05	52.56
1998-99	2029.68	295.10	1734.58	842.90	41.53	48.59
1999-00	2399.91	330.57	2069.34	998.58	41.61	48.25
2000-01	2632.00	359.06	2272.94	1023.20	38.87	45.01
2001-02	2737.95	377.63	2360.32	1024.92	37.43	43.42
2002-03	2808.81	392.07	2416.74	1003.19	35.72	41.51

The MSRTC is second by both size of fleet and size of employment after the APSRTC. They were the first till 1995-96 in terms of fleet strength but not by employment. In terms of buses on road, the APSTRC was better placed even in 1991-92 if not before. Employment did rise in both till late in the day as also the number of buses. Now the number of buses is not falling but the employment is, though the fall is very slow. The bus-staff ratio has improved considerably over the past decade, from 8.08 in 1991-92 to 6.72 in 2002-03 (from 8.75 to 6.8 in the APSRTC). It is to be noted that the bus staff ratio in the MSRTC is based on the total staff including the staff engaged in Central Workshops and Tyre Retreading Plants. Bringing down the bus-staff ratio to 6 would help reduce the cost by 5 percent for the given salary structure. If it could be reduced to 5, the salary-bill will reduce the cost by 10 percent and positive profit may be around the corner. But drastic reduction in bus-staff ratio may not be feasible or even conducive in the near future.

Category of Staff	No. of employees		Bus Staff Ratio	
	2002-03	2001-02	2002-03	2001-02
Traffic	72063	74078	4.65	4.69
Workshop & Maintenance	21822	22646	1.41	1.43
Administration	12850	13637	0.83	0.86
Total	106735	110361	6.89	6.98

For cutting corners let us look at the performance of checkers. Using the data of the latest year (2001-02) for our calculations, we obtain the following:

A. *Cost of Checking*

Total cost = Number of checkers * Average salary/employee/day*365

= 502 * Rs.257.51 * 365 = Rs. 4,71,83,557 = Rs.4.72 crores.

B. *Total Collection*

Total amount collected = Amount involved in fraud + Amount of fine imposed = Rs.3,38,902 + Rs.7,51,455= Rs. 10,90,357 = Rs.11 lakh

Compared to the collection with the cost of collection incurred (ignoring opportunity cost of vehicles, petrol/diesel and allowances) is so high that a blind would say that this kind of policing is a senseless exercise. The policy of employing checking inspectors turns out quite out of sync, useless. By doing away with such staff as these checking inspectors, some reduction in cost can be attained.

The other main component of cost is material/input costs. Fuel efficiency of the MSRTC (measured by the fuel consumption in terms of kilometers run per litre) has been improving over the years. It is 4.7 kilometers per litre. There is some scope to reduce costs here too.

Interest paid by the MSRTC is remarkably constant, exception apart, around Rs.40 crore, irrespective of outstanding loan. This is understandable, as the rate of interest has been coming down. For example, the average rate of interest on external capital was around 11.5 percent per annum in 1991-92 and 5.6 percent per annum in 2001-02. The rate would be appreciably high if it is calculated on borrowings alone. It turns out to be 16 percent and 10 percent respectively. However, in terms of actual payment to the state government, the rate of interest turns out to be 5.75 percent per annum in 1991-92 and 2.56 percent per annum in 2001-02.

Since the database provides information on value of net fixed assets and depreciation, the rate of depreciation is computed as: [Depreciation/(NFA+ Depreciation)]*100. The MSRTC computes depreciation on both buildings and buses. The rate of depreciation for the MSRTC is found, exceptions apart, to be about 9-10 percent.

In Maharashtra, three types of direct taxes are collected: passenger tax, motor vehicle tax and toll tax. Passenger tax in one sense is not a tax on motor vehicle operator except that it does influence the demand schedule. Passenger tax accounts for a major part of the total taxes collected. It is around 94 percent of the total taxes, the balance being the contribution of motor vehicle tax and toll tax. The passenger tax is paid to the Government of Maharashtra at the rate of 17.5 percent on the passenger earning of mofussil service and at the rate of 3.5 percent on the earning of the city services. The present rates of fares are inclusive of the passenger tax. The tax rate as a percentage of total revenue is around 14 percent in MSRTC and has been gradually falling over the past few years.

The MSRTC has been a loss making corporation for long. Except in the early nineties, when it earned some amount of profit, it has been incurring heavy losses year after year. One could feel like saying that the huge amount of taxes paid would cut the cost drastically. We can note that losses are less than the taxes paid and the surplus before tax (SBT) is positive for all years. Thereafter, in terms of the SBT the MSRTC is doing quite well. However, if it is remembered that passenger tax is different from motor vehicle tax in many respects. Its non-levying will cut both cost and revenue, unlike motor vehicle tax, which cuts cost not revenue. Therefore profit before tax has to be calculated in more imaginative manner and we find that it is negative since 1996-97.

It is observed that in the MSRTC, the cost recovery ratio (real traffic revenue as a proportion of net cost) is not good in absolute sense, not bad in relative sense. It was only once more than 1.02. It is settling around 85 percent. The saving grace is that the MSRTC earns some non-traffic revenue, which is around 15 percent of the traffic revenue. It could be seen that operating cost ratio is increasing and is approaching unity. Therefore, it is necessary that the cost structure is altered a bit, so that it would not be difficult for the MSRTC to attain break even in the near future.

B.13.7: Physical Performance of the MSRTC

To begin with, the fleet utilization in MSRTC has been quite good, and is improving all the time. At present, the fleet utilization is around 95 percent. The bus-run on road has also improved except for two years in the mid-nineties. It is around 312 kms per bus on road per day at present. Vehicle productivity (in terms of effective kilometers operated) is also improving, from 132 crores in 1991-92 to 177 crores in 2002-03. Therefore the effective

kilometers operated per day during 2002-03 is 48.37 lakhs. The total number of passengers carried during 2002-03 were 223.74 crores.

However, the one major area of concern is the occupancy ratio. It is falling considerably over the years. From a high of around 75 percent in 1991-92 and stable value of 70-72 percent in the mid-nineties, it has drastically fallen to 60 percent in the new century (the same story as in the APSRTC). This has had an adverse effect on the revenue side of the MSRTC. Hence, there is scope for improvement.

Date	Ordinary	Express	N/Exp	S/Lux.	Deluxe	A/C	Hike in %	Occup.
10.01.93	20.83	23.33	25.00	29.17	45.83	66.67		70.35
03.05.97	27.50	30.80	32.50	37.50	54.17	83.33	30-40	67.50
01.12.98	30.00	33.33	33.33	41.67	54.17	83.33	10-12	63.55
12.10.99	35.00	39.70	39.7	47.50	60.00	100.00	12-17	59.76
02.10.00	41.80	41.80	41.8	50.00	65.00	100.00	05-20	60.05

For hike calculation, upper classes have been ignored

Fare rise may not be playing a very high role in this state but coupled with other factors this affects the occupancy. It should be improved in all possible manners. On top of fare there is passenger tax. If the corporation were allowed to absorb it in fare, then its revenue position would improve but exchequer would lose. The fare structure together with the occupancy in the respective years is shown in the above table.

B.13.8: Fiscal Impact on the State Budget

The state provides financial support to MSRTC in various forms, which can be enumerated as follows: Contribution towards (equity) capital, Capital grants, Loan capital, Revenue grants/subsidy, Conversion of loans into equity, Compensation for the provision of concessions as a social policy of the Government.

On the other hand, the state receives from the MSRTC, the following: Interest on both capital contribution as well as on loan capital, and non- passenger tax, Repayment of loans, if any. Total receipts by the state government from the MSRTC have been increasing gradually over the years. Since 1991-92, it has increased from Rs.15 crore to Rs. 43 crores in 2002-03.

On the other hand the annual outflow from the state to the MSRTC has been quite low earlier. But because of substantial capital/one-time grant, counted as capital contribution in the database we have used, in the years of 2000-01 and 2001-02, it is substantial. At present (2002-03), it is around Rs.300 crore. Therefore the Net flow from the state to the MSRTC is now positive.

If the burden due to concessions granted to students, blinds, freedom fighters, MLAs, blinds, senior citizens, journalists and others, is taken into account then the outflow from the MSRTC increases as the state has not been meeting the full obligation. In last two years the government has shown magnanimity of re-imbursing in full the burden of compensation. Obviously, net flow from the state is negative for the earlier years.

Based on this, we now project the net flows from the state to the MSRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing some amount of funds to the state exchequer, to the tune of about Rs.20 crore in 2004-05. This will gradually increase to Rs.28 crore if nothing drastic is undertaken.

	Maharashtra	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)						
2	Subsidies/Reimbursement from the state (S)	331.15	365.44	399.73	434.02	468.31	502.60
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	331.15	365.44	399.73	434.02	468.31	502.60
4	Interest received by the State (Int.)	10.45	11.99	13.53	15.07	16.62	18.16
5	Non Passenger Taxes received by the State (NPT)	9.71	9.63	9.55	9.47	9.38	9.30
6	Total Receipts by the State from the STRU (R_{state})(4+5)	20.16	21.62	23.08	24.54	26.00	27.46
7	Burden on the SRTU due to Concessions (B)	331.15	365.44	399.73	434.02	468.31	502.60
8	Effective Receipts by the State (ER_{state})(6+7)	351.31	387.06	422.81	458.56	494.31	530.06
9	Net Flow from the State (NF_{state}) (3-8)	-20.16	-21.62	-23.08	-24.54	-26.00	-27.46

B.13.9: Viability of the MSRTC

No doubt, the State could claim that the State would not be a loser if public corporation is replaced by private operators. But then the service rendered to people on uneconomic routes would be greatly inconvenienced as only the MSRTC provides bus services in the uneconomic routes of the state, like roads linking to the villages and kaccha roads. Moreover, they are sizeable players not to be easily dismissed as the MSRTC owns more than 16500 buses and employs more than one lakh people.

B.13.10: Suggestions

Privatization could be an option. But then the employees must be offered a suitable Voluntary Retirement Scheme (VRS), which is acceptable to them. However, retrenching such a huge number of employees is not an easy matter. It should be done in a phased manner. On the other side, to continue with the services of the corporation some drastic measures need to be taken. To begin with, personnel cost accounts for about 40 percent of the total cost in the MSRTC. However, if passenger tax collection is excluded from the cost then it is easily very close to 50 percent. So personnel cost need to be reduced immediately. For example, the checking staff is basically an excess baggage to the corporation for on an average, the revenue earned by them on surprise checking and fines is about Rs.11 lakh, but the cost incurred for this is about Rs.5 crore. This does not make any economic sense. Overall the reduction in the personnel cost can be done by bringing down the bus-staff ratio to 6 which would help reduce the cost by 5 percent for the given salary structure. If it could be reduced to 5, the salary-bill will reduce the cost by 10 percent and positive profit may be around the corner. But drastic reduction in bus-staff ratio may not be feasible or even conducive in the near future.

Not only that, the material cost is also rising, which is mainly on account of high fuel consumption. Though the fuel efficiency in the MSRTC is improving every year, yet the expenditure on fuel consumption is increasing. This is mainly due the problem of overaged buses, which not only consume more fuel but also increases the repair and maintenance costs due to frequent breakdowns. So, to reduce the material cost the corporation has to do away with the over aged buses on a regular basis.

On the other hand, the revenue earnings should be augmented so that together with the reduction in the costs, the corporation could hope to turnaround in the near future. Occupancy ratio in the recent times has been falling quite significantly. So to increase the revenue occupancy ratio has to be increased, which can be done by providing comfortable buses on

those routes where the occupancy is good. And regarding the non-economic routes, the corporation can supplement the revenue earnings from non-traffic revenue.

B.14
MANIPUR

B.14.1: The State

Manipur is one of the Hilly states of North-East India situated in the far eastern part of India, bordering Myanmmar. It became a full state in early 1972 in pursuance of the North-Eastern Areas (Reorganisation) Act 1971. It covers an area of 22327 sq. km and has population of only 24 lakh. With road length of 10760 kms, road density of the state is very low due to its peculiar topography — just 0.5 km per sq. km.

B.14.2: Passenger Transport in Manipur

Total number of passenger buses operating in the state as on 31st March 2000 was 2048 out of which the number of public buses was only 25 and of which only 4 were on road. Private buses are more than 40 times higher than the public passenger buses in terms of ownership and more than 400 times in terms of buses on the road. Therefore, there is little else to think but to close it.

B.14.3: Manipur State Road Transport Corporation (MPRSRTC)

The Manipur State Road Transport Corporation (MPRSRTC) is the only public sector undertaking in the public passenger transport. The corporation came into existence on 27th March 1976. Before that, it appears, that this bus service was run as a departmental undertaking.

B.14.4: Capital Structure

In terms of section 23(1) of the Road Transport Corporation Act, 1950, the Central Government agreed in July 1975 to contribute towards the capital of the corporation to the extent of 25 percent of the value of the assets to be transferred to the corporation on 27 March 1976 and contributed Rs.3.43 crore as against state contribution of Rs.13.52 crore in terms of assets.

Thereafter, and available information says after 1988-89, it never contributed anything while state's contribution almost doubled. Central Government stopped all contribution, in view of certain criteria, which the corporation didn't fulfill. At the hindsight, one can say they did a right thing.

The MPRSRTC has always been a loss making public undertaking. According to latest data available the number of buses on road was only 4 on 31st March 1998. Since 1991-92 it never ran more than 27 buses out of 66 in its fleet. Fleet utilitisation has come down from 40 percent to 14 percent in seven years.

The loan amount outstanding was Rs.4 lakh in 1995-96.

No information is available on general and other reserves.

The MPRSRTC has been a loss-making statutory corporation. Accumulated losses increased year after year. Data available for accumulated profit/losses is available up to 1998-99. In 1991-92 the accumulated losses were about Rs.17 crore and in 1998-99 they increased to Rs.34.61 crore. From 1994-95 onwards it is found that accumulated losses have been exceeding the total capital contribution.

Capital invested which is the sum of total external capital (capital contribution + loan outstanding) and internal capital (reserve + accumulated profit/loss), has been decreasing and is negative since 1994-95.

Value of net fixed assets is found to have suddenly increased in 1995-96 to Rs.12 crore from almost nil in earlier years but now it is declining. 1995-96 is a peculiar year: while net of value of buses rose from Rs.86 lakh to Rs.2.48 crore despite decline in number of buses, net value of other assets rose from Rs.24 lakh to Rs.946 lakh. There is no explanation available.

Capital employed is the sum of net fixed assets and current assets minus current liabilities. On current assets there is information only for two years and on current liabilities there is no information. All blanks are treated as zero. Under circumstances, capital employed is found to be about Rs.18 crore in 1995-96 and net worth, a little less. For other years, figures could not be relied.

This is an odd case where capital invested, capital employed and net worth are all positive and there is no business, which is actually transacted.

B.14.5: Revenue Analysis of the MPRSRTC

Revenue collected by the MPRSRTC has been dwindling. From Rs.1.75 crore in 1992-93 it has come down to mere Rs.22 lakh whereas cost continued to be around Rs.3 crore. The cost recovery ratio shows that the revenue collected by the corporation is unable to fulfill the half of its cost incurred in the best of its years and now it is mere 7 percent.

Tariff revenue was dominated the total revenue collected by the MPRSRTC up to 1993-94. But after that non-tariff revenue crossed the tariff revenue and is now three times. Wherefrom this non-tariff revenue comes is not clear.

B.14.6: Cost Analysis of the MPRSRTC

Major position of total cost is personnel cost, which was about 70 percent of total cost once upon a time and may be ninety percent today. The number of employees decreased from 680 in 1991-92 to 429 in 1997-98. Still it is very high which caused high proportion of personnel cost in total cost.

The bus staff ratio is very high in the corporation and has been the highest among all the SRTUs. In 1991-92 the bus staff ratio was 29.52 per bus but later as the number of buses decreased so rapidly that the ratio increased to 78.33 in 1995-96 and was more than 107 in 1997-98. Which means to transport all the employees simultaneously to religious shrine or picnic place, the corporation needs two more buses for each of its own buses!

State receives taxes from the MPRSRTC but it is for namesake only.

Both net profit and profit before interest and taxes are negative and both are increasing continuously. As interest and taxes paid are very low than is not much difference between the net profit and profit before interest and taxes.

B.14.7: Physical Performance of the MPRSRTC

The number of buses held by MPRSRTC is indeed very low as good as nil. In 1991-92, the number of buses held by MPRSRTC was 65 out of which 27 are on the road. This figure decreased rapidly. The number of buses held is 25 and the number of buses on road is only 4.

Occupancy ratio is very low in 1991-92. It was 74 percent in 1991-92 but declined in subsequent years and reached 53 percent in 1997-98.

B.14.8: Fiscal Impact on the State Budget

The State Government provides capital contribution to MPRSRTC. In return the corporation is liable to pay interest that contribution at 6 per cent per annum (and as there is no state debt to the MPRSRTC the corporation is not liable to pay interest on debt). The interest receivable by the state is at 6 percent per annum but amount of interest actually paid is not even 1 percent.

Outflow from the MPRSRTC to the state has been nominal or nil in terms of interest and taxes.

Inflow from the state to the corporation in terms of investment and other elements has been substantial as much as Rs.3.34 crore. We now project the net flow figures for the next five years, 2004-05 to 2009-10. It is clear that the state is getting very little from the corporation in the near future. On the other hand the state provides substantial capital contribution to the SRTU. Thus the net flows from the state exchequer over the next five years will become almost Rs..64 crores. The Projected figure of net flow from the State Government to the SRTU will decrease over time.

	Manipur	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	1.12	1.03	0.95	0.86	0.78	0.69
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	1.12	1.03	0.95	0.86	0.78	0.69
4	Interest received by the State (Int.)	0.02	0.02	0.02	0.02	0.02	0.02
5	Non Passenger Taxes received by the State (NPT)		0.00	0.00	0.00	0.00	0.00
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.02	0.02	0.02	0.02	0.02	0.02
7	Burden on the SRTU due to Concessions (B)	0.01	0.01	0.02	0.02	0.03	0.03
8	Effective Receipts by the State (ER_{state})(6+7)	0.03	0.03	0.04	0.04	0.05	0.05
9	Net Flow from the State (NF_{state}) (3-8)	1.08	1.00	0.91	0.82	0.73	0.64

B.14.9: Viability

The cost recovery ratio of MPRSRTC is in pretty bad condition. The number of buses on road is only 4. Bus staff ratio is very high. Occupancy ratio is very low. All these leads to a very precarious condition, there is no alternative for the corporation but euthanasia or hara-kiri!

B.15
MEGHALAYA

B.15.1: The State

Meghalaya is one of the Hilly States of North-East India with an area of 22429 sq. km., having only 21.17 lakh of population. The state was carved out of Assam in 1972 under the provisions of the North-East Reorganisation Act 1971. The road density is very low due to its peculiar topographical conditions. Road transportation is the most important modern means of communication available to the people as there are no railways or inland water transport facilities.

B.15.2: Passenger Transport in Meghalaya

Total number of passenger buses operating in the State on 31st March 2000 was 2463 out of which the number of buses in public sector was only 152 and of which only 56 were actually on road. Public buses with private operators are thus about 15 times more than those with public sector in terms of ownership and 40 times in terms of operation. The highest fleet strength was 170 in 1990-91 with 73 percent fleet utilisation.

B.15.3: Meghalaya Transport Corporation (MEGTC)

The Meghalaya Transport Corporation (MEGTC) was established on 1st October 1976 under section 3 of Road Transport Corporation Act 1950 for providing transport services within the State and to operate inter-state services in an economical and efficient manner. This is the only public undertaking in road transport in the state. Starting with 23 routes, it increased its number of routes to 43 in 1985-85 and to 53 in 1989-90—routes varying from 25 kilometers to 434 kilometers. Over the years as the number of buses decreased the number of routes operated is declined to 24 routes covering in total a route length of 3468 kms, of which 19 are uneconomical route.

According to latest data available the average number of buses (as also fleet strength) held by Meghalaya Transport Corporation in March 2004 is 64, but number of buses on road is very low and it is only 41. It is possible that number might have reduced further.

B.15.4: Capital Structure of the MEGTC

The MEGTC is a loss-making public undertaking. Throughout the period for which we have information (since 1985-86), the corporation was incurring losses. Perhaps it was doing so the decade before too. It means every year it incurred losses and the figure of accumulated losses went on increasing as a consequence.

The requirement of capital was to be met from the contributions from the state and central governments. During the Seventh Plan (1985-90), it received Rs.9.29 crore from the state (plan) and Rs.1.52 crore from the center. More importantly, during this period it received a sum of Rs.50 crore as non-plan (revenue) contribution towards payment of arrears to the employees

Total capital contribution in 1991-92 was Rs.28.73 crore. The shares of the State Government and Central Government ratio were roughly in the ratio of 5:1. Central Government stopped contributing to the corporation after 1993-94. It seems in the total contribution of base capital of Rs.34.67 crore, the contributions of the state and the center are Rs.27.86 crore and Rs.6.81 crore. It seems that the ratio changed in later years to 4:1 till

1997-98. In 1998-99 the State Government contributed Rs.7.78 crore more and the total capital contribution increased to Rs.45.64 crore.

As there is no information available on loan outstanding till 1998-99, it may be inferred that the MEGTC did not take any loan up to 1998-99 from anywhere. From the CAG reports, it is gathered that loan outstanding in 1999-2000 and 2000-01 was Rs.13.37 crore and in 2001-02 was Rs.17.02 crore. The equity loan ratio is at present 2.5:1. The total external capital is thus about Rs.50 crore and there are no more than 44 buses in operation.

As per information available after 1996-97, the MEGTC accumulated reserves. The amount of general and other reserves is Rs.0.10 crore. The MEGTC has been a loss-making statutory corporation. The accumulated losses increased year after year. Data available for accumulated profit/losses is available up to 1999-00 and then 2003-04. In 1991-92 losses amounted to Rs.20.34 but rose to Rs. 47.17 crore in 1999-00. Increase in accumulated losses is found to be higher year after year than the loss incurred increased during the year. But the data available for the year 2003-04 shows that there is marginal decline in the amount of accumulated losses to Rs.45.02 crore.

Capital invested which is the sum of total external capital (capital contribution + loan outstanding) and internal capital (reserves + accumulated profit/loss), has been fluctuating around Rs.8 crore in the early nineties but turned negative in 1996-97 because accumulated losses exceeded the capital contribution. It may be noted that other components have been nil.

Capital employed is the sum of the net fixed assets and net current assets minus current liabilities. It has been ranging between Rs.5 crore to Rs.8 crore during 1991-92 and 1996-97.

Net Worth is the difference between capital employed and outstanding debt. As there is no loan component, for MEGTC capital employed is equal to net worth.

B.15.5: Revenue Analysis of the MEGTC

The revenue collected by the MEGTC varied between Rs.5.94 crore and Rs.7.76 crore and the cost incurred varied between Rs.6.95 crore and Rs.9.86, always yielding a loss. The cost recovery ratio fluctuated between 66 percent and 94 percent, currently being 76 percent.

Non-tariff revenue in the case of MEGTC was always sizeable. It did not exceed traffic revenue till 1998-99. But after that, surprisingly, it is higher than the tariff revenue. This is due to the substantial amount of the non-traffic revenue is coming from subsidy given by the State Government. The following table shows that subsidy is more than traffic earning (Rs. in crore):

	2001-2002	2002-03	2003-04
(a) Traffic Revenue	2.83	3.10	2.97
(b) Non-traffic			
Subsidy	0.73	1.02	0.62
Others	3.50	2.70	2.80
Total	7.06	6.82	6.39

B.15.6: Cost Analysis of the MEGTC

Major portion of total cost is personnel cost. It has risen gradually from 42 percent in early nineties to 74 percent in 2003-04. This is due to disproportionate employment in the MEGTC.

The bus staff ratio is very high, and this went on increasing with passage of time. In 2000-01 the ratio is 16.45—risen from around 7-8 in the late eighties and 9-11 in the early

nineties. Now the bus staff ration is declining marginally due to decline in employment: 724 in 2000-01 to 601 in 2003-04.

Fuel cost is also high in hilly terrain. But increase in fuel consumption from 3.3 KMPL to 3.1 KMPL only tells that bus fleet is getting older and older.

Interest and taxes are the other two components of total cost. Interest paid by the MEGTC to Central Government, State Government and others is not available since 1993-94. In 1985-86, interest paid was Rs.71 lakh, which rose to Rs.1.52 crore, Rs.1.76 crore and Rs.1.83 crore in 1989-90, 1991-92 and 1992-93 respectively. The average rate of interest on external capital revolved around 6 percent per annum. Besides interest, state receives taxes from the MEGTC. The amount of taxes paid by MEGTC is very minimal and mainly consists of Motor Vehicle Tax.

Profit is negative. But 'profit before interest and taxes' has also been negative, exceptions apart—for instance 1991-92. But the main reason for this phenomenon is the fact that tax paid is nominal and interest is not paid regularly. Therefore, there is practically no difference between the profit and PBIT.

B.15.7: Physical Performance of the MEGTC

The number of buses on road has come down from about 140 in 1989-90 to 41 in 2003-04, but employee strength reduced from around 1000 to 601. As a result, personnel cost rose from 40 percent to 74 percent of the total cost.

The fleet utilization has been declining from the highest of 82 percent in 1988-89 to 50 percent in 1992-93 to 34 percent in 2000-01. This is basically due to non-rationalization of fleet

Occupancy ratio is low. It has come down from 62-67 percent during 1991-92 through 1999-00 to 58 percent. This should be unacceptable.

B.15.8: Fiscal Impact on the State Budget

The State Government provides capital contribution to the MEGTC. In return, the corporation is liable to pay interest on that contribution at 6.25 percent per annum (and as there is no state debt to the MEGTC the corporation is not liable to pay interest on debt).

The MEGTC introduced school bus service in 1980-81 at the instruction of the State government on subsidized rates. This operation did not yield them revenue more than 20 percent of the cost. Surprisingly, in extra-school time the buses were not deployed on regular routes. Stage carriages turned into contract carriage and incurred losses. Later, a partial amendment was made in terms of deploying them between 10:00AM and 2:30 PM. There has thus been heavy burden on such count. The corporation is not compensated for. Nor the corporation was ever willing to make amends.

The MEGTC received subsidies for various reasons. Rs.50 crore during the Seventh Plan for payment of arrears to the employees. It also received a subsidy of Rs.2-3.5 crore during the nineties on account of the compensation for the burden incurred due to concession in fares.

Outflow from MEGTC to the state have been nominal in terms of interest and taxes. This has been about Rs.1.5-2.5 crores during the nineties.

Inflow from the state to the corporation in terms of sporadic grants has been substantial but the corporation is not regularly compensated for the loss of revenue due to direction from the state for concessional operations. We now project the net flow figures for the next five

years, 2004-05 to 2009-10. It is clear that the state will get very little from the corporation in the near future. On the other hand the state provides substantial capital contribution in the form of subsidies to the corporation. Thus the net flows from the state exchequer over the next five years will become almost Rs.3 crores. The projected net flow from the State Government to the corporation shows a declining trend.

	Meghalaya	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	2.81	2.77	2.73	2.69	2.65	2.61
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	2.81	2.77	2.73	2.69	2.65	2.61
4	Interest received by the State (Int.)						
5	Non Passenger Taxes received by the State (NPT)	0.01	0.01	0.01	0.01	0.01	0.01
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.01	0.01	0.01	0.01	0.01	0.01
7	Burden on the SRTU due to Concessions (B)						
8	Effective Receipts by the State (ER_{state})(6+7)	0.01	0.01	0.01	0.01	0.01	0.01
9	Net Flow from the State (NF_{state}) (3-8)	2.80	2.76	2.72	2.68	2.64	2.60

To measure the viability of the corporation in the future, we have projected these net flow figures for the next five years, 2004-05 to 2009-10. We find that the corporation would continue to be a burden on the State Government, but the projected net flow shows a decreasing trend.

B.15.9: Viability

The bus staff ratio is still very high. The number of buses on road declined every year and in 2001-02 only 44 buses were on road. Fleet utilization decreased over time. Occupancy ratio is less than 60 percent. Buses are operating on non-economic routes. Over all the situation of the MEGTC is pretty bad. Once one comes to realize that most of the revenue earned is not an outcome of traffic activity, one hardly finds reason for its survival.

B.16
MIZORAM

B.16.1: The State

Mizoram is a land-locked territory situated in the extreme east of the country—one of the eight sisters in the North East. It is bordered by Tripura and by Bangladesh in the west, by Myanmmar in the east and south and by Assam and Manipur in the north. It covers an area of 21081 sq. km. and has a population about 9 lakh.

B.16.2: Passenger Transport in Mizoram

Road transport is the only modern means of transportation in the state of Mizoram, which has a road length of 4829 km. The road density is only 0.23 km per sq km, which is very low. However, this has more to do with peculiar topography in the north-eastern states. Road length per lakh of population is pretty high—more than 500 km.

There are only 761 passenger buses in Mizoram out of which, there are about 700 buses in the private sector and only 63 buses in the public sector—hardly accounting for 8 percent of the total. Besides buses there are other vehicles available for public transport in the state. For namesake, the Indian Railways has made a presence.

B.16.3: Mizoram State Transport (MZST)

In Mizoram, there is only one public undertaking in the public passenger transport. It is the Mizoram State Transport (MZST), which is departmentally managed undertaking of the State Government of Mizoram. It operates its bus services mainly in the hilly regions.

Of 63 buses with the Mizoram State Transport (MZST), only 33 are actually in operation in 2003. Thus only 6 percent of the buses in operation are with the MZST. May be today, they are only 5 percent of the total.

B.16.4: Capital Structure of the MZST

Capital contribution of MZST is exclusively provided by the State Government, though it has been sporadic over the years. In three years in the mid-nineties, for which information is available, capital contribution of the State Government was about Rs.5 crore was 1994-95, which rose to Rs.12 crore in 1995-96 and to Rs.13 crore still next year. In 2001-02, the State Government had a capital contribution of Rs.1 crore. Which should simply mean revaluation of the stock because the there is hardly any such attrition in the fleet size and it is gathered that out of 88 buses 64 are overaged and only 37 are in operation in 2001-02.

Even while the capital contribution of state rose from Rs.5 crore in 1994-95 to Rs.12 crore in 1995-96, there was hardly any difference in the net value of assets or in number of buses. One will have to believe that it was used for wiping out the accumulated losses or paying current liabilities.

The MZST did not draw any loan from the State Government or any of the commercial banks or non-baking financial institutions like the IDBI or the LIC. Hence, the external capital consists only of government-contributed capital.

Regarding internal capital, there seems to be no provision for reserves. Nor is there profit/loss accumulated, as is the practice in other administrative departments.

Value of the net fixed assets of the MZST was about Rs.5 crore (1994-95 through 1996-97, the years for which data is available). The buses accounted for 50-60 percent of the total assets owned by MZST.

There are no current liabilities of the MZST. Capital employed by the MZST is therefore equal to the sum of net fixed assets and the current assets. It amounted to Rs.5-6 crore for those years.

As the MZST does not undertake any loans, the net worth of the MZST is the same as the net fixed assets, that is, about Rs.5 crore.

B.16.5: Revenue Analysis of MZST

The total revenue of the MZST comprises of traffic revenue and non-traffic revenue. In the early nineties, total revenue constituted mostly traffic revenue. However, from 1995-96, non-traffic revenue became an important constituent of the total revenue, when it accounted for about 15-20 percent of the total revenue. It is back to less than 10 percent.

B.16.6: Cost Analysis of MZST

Total cost incurred by the MZST is mainly the personnel cost and material cost. Personnel cost accounted for about 50 percent in the years in the mid-nineties years for which we have fuller information. In later years personnel cost increases to 70-80 percent as a proportion of total cost. This is on a very high side.

But what bothers one is different. Only in 1991-92, personnel cost was lower than the material cost but then it became twice as much and then three times. Coupled with the facts that fleet utilization ratio and average run of an average bus (vehicle productivity) are flat, why should this happen?

High level of personnel cost has partly to do with the high level of surplus staff maintained by the department with less than 100 buses at its disposal and not even 40 of them on road. The department employs about 830 staff. Surprisingly, 60 staff members were added in 1997-98 when the fleet strength reduced by 91 to 81 and buses on roads reduced from 40 to 39. Bus staff ratio, which was perhaps 13-14 in the eighties, has turned around 20-22 in the nineties.

Material cost accounted for about 30 percent of the total cost incurred by the MZST. There seems to be a major hike in prices of input in 1995-96 as the rise of material cost is enormous while vehicle consumption continued to be 3 kilometres a litre. Main constituents of material cost are auto spare parts and fuel cost, accounting for 30 per cent and 40 percent of the material cost respectively. Such huge expenditure is made on auto spare parts mainly because of the problem of overaged buses. In the MZST, about 64 percent of the buses are now overaged and the average age of the buses in 2001-02 was 7.66 years while their own target life is only 7 years.

The overaged buses also entail larger fuel cost. Already the terrain in the state accounts for more consumption of fuel by buses, and with the problem of overaged buses, the situation is made worse. The fuel consumption of the buses of MZST is about 3 km. per litre of HSD. In recent years, it has fallen to 2.6-2.8 km per litre of HSD, denoting higher fuel consumption.

Hence, improving the situation of surplus staff and also improving the fuel consumption levels, even marginally will improve the cost structure of MZST, and may improve its chances for its viability.

For example, for a bus fleet of only about 90 buses, MZST had a checking staff strength of 5 in 2001-02, who conducted 165 raids during the year (less than ½ a day) and found 1187 irregularities and collected only Rs.1,21,371. On the other hand, the expenditure incurred on their salary alone is about Rs.4,32,525, almost 3.5 times the income earned by the checking inspectors. It is better for the department of transport in Mizoram to do away with checking inspectors. Cost of collection Rs.1 lakh is Rs.5 lakh and therefore there is no sense deploying such force.

As there are no loans taken by MZST, there is no burden of interest payments. Even if the department is liable to pay interest on the capital contribution by the State Government, there are no interest payments actually made by the MZST.

The tax payments made by the MZST to the State Government consists of only the motor vehicle tax, which is about Rs.1 crore. There is no provision of passenger tax is MZST.

In MZST, the depreciation is charged mainly on buses. The total depreciation in MZST is about Rs.0.5 crore, of which buses accounts for about 80 percent. The rate of depreciation is less than 10 percent of the total assets.

The cost recovery ratio has been very low in MZST. It was never more than 46 percent. Now it stands at 17 percent only.

B.16.7: Physical Performance of the MZST

Operational performance of the MZST is also very poor. Already they operate a very small bus fleet of 80-100 buses, out of which only less than 40 buses are on road. The average number of spare buses/buses off-road are 50-70. Obviously, the fleet utilization is only about 35-45 percent.

The occupancy ratio is about 60-70 percent, which is much better as compared to the other SRTUs is the neighbouring north-eastern states. This may be because of the fact Mizoram is a land-locked state, where road transport is the only principal means of transport in the state.

The better occupancy ratio is maintained despite the hike in bus fares. The bus fares for ordinary bus services were increased from 36 paise in 1997-98 to 50 paise in 2001-02, a hike of 40 percent. However, the occupancy during this period remained the same at 65 percent.

Other parameters of physical performance of the MZST— the effective km operated (in crore kms.) and bus utilization (km./bus on road/day)— may be better than in the other SRTUs in the north eastern states.

B.16.8: Fiscal Impact on the State Budget

Apart from the capital contribution by the State Government, the MZST receives no other budgetary support from the State Government. In fact, the State Government's capital contribution is not made on a regular basis.

On the other hand, the total receipts by the state from the MZST, consists of only tax payment (motor vehicle tax), which in fact is very meagre. Since the state does not provide any loan to MZST, there is no interest payment on this account. Even if the state provides capital contribution, the MZST makes no interest payment to the State Government.

The net flow from the state to the MZST is about Rs.5-7 crore (considering the years for which data is available) a year when there is change in capital contribution.

Concessional travel for various categories of people – students, blinds, freedom fighters, journalists and others – allowed by the State Government in the STU buses is also made available by the MZST under instructions from the Government of Mizoram. However, data is furnished for only one year – 1997-98, when MZST incurred a burden of Rs.42,000 due to concessional travel.

Nevertheless, the above burden figure indicates that the MZST does not have to incur much burden due to the concessional travel of various categories of people in their buses.

B.16.9: Viability of the MZST

The above analysis clearly shows that the commercial viability of MZST is seriously under threat. The running of the transport department in Mizoram has been mainly on account of the budgetary support of the State Government. In its absence, things would have been very difficult for the MZST.

In view of the fact that occupancy ratio is high despite recent hike in fares but cost recovery ratio is very low, one may have to look towards cost reduction measures. If the personnel cost and the fuel cost can be reduced significantly, then chances of financial viability of the MZST can be improved.

It is upto the management of the undertaking to take strict actions immediately on these grounds, otherwise there is no other option but to close down the undertaking. This is because the MZST has become a burden on the state exchequer.

However, a small fleet cannot make much impact on road transport operation in any sense. Its exit is therefore a better option.

B.17
NAGALAND

B.17.1: The State

Nagaland is one of the states of North-East India, bordering Myanmmar. It makes boundary with Arunachal Pradesh, Assam and Manipur. Its territorial area is 16575 sq. km. and population is around 20 lakh. The state is full of mountains and difficult terrain and road transportation is the major modern mode of communication.

B.17.2: Passenger Transport in Nagaland

Total number of passenger buses operating in Nagaland at the end of March 2002, was 4372, out of which 4203 were with private operators and the number of passenger buses in public sector was only 169. Public buses with private operators are thus about 25 times higher than those in public sector.

B.17.3: Nagaland State Transport (NGST)

The Nagaland State Transport (NGST) is the only public undertaking in the transport sector in Nagaland. It was established in 1963-64 as a departmental undertaking under the transport and communication department of the Government of Nagaland in order to provide an economical transport services to the people of the state, which is well coordinated too. The number of buses held by the NGST reduced from 211 in 1991-92 to 189 in 1998-99 to 142 in 2001-02. But the number of buses on road is only 86, about 60 percent of the fleet.

B.17.4: Capital Structure of the NGST

Data on capital structure of the NGST is incomplete. Total capital contribution to the NGST is from the State Government only. The total capital contribution to the undertaking in 1991-92 was Rs.45.75 crore, which increased to Rs.80.15 crore in 1996-97 and Rs.135.88 crore in 2001-02.

The NGST has been a loss-making departmental undertaking. Throughout the period for which we have information, the undertaking was incurring losses. Perhaps it was doing so the decade before too. The accumulated losses kept on increasing consistently.

The accumulated losses of the undertaking in 1991-92 were about Rs.40 crore, which is just less than its total capital contribution (Rs.45.75 crore). Over the years, the losses continuously increased and in 2001-02, the accumulated losses amounted to over Rs.125 crore— marginally lower than capital contribution.

Capital invested is the sum of total external capital and total internal capital. Total external capital is the sum of total capital contribution and total outstanding loans. Since there are no data furnished for outstanding loans, the actual figure of the external capital of the NGST cannot be ascertained.

The total internal capital is the sum of all reserves and accumulated profit/loss. In this case the data reserves is not furnished, so it is impossible to get the actual figure of capital invested.

Net value of fixed assets of the undertaking in 1991-92 was Rs.13.37 crore, which increased to Rs.21.48 crore in 2001-02. As current assets and current liability figure is not available, capital employed cannot be calculated.

B.17.5: Revenue Analysis of the NGST

Total revenue collected by the NGST is very low. In early nineties it was around Rs.3.5 crore but came down to the low of Rs.2.2 crore in 1996-97, then it increased slowly to reached the level of Rs.5.3 crore in 2001-02. As per CAG report (1996) the gap between targets and achievements in collection of revenue were widening over the years from 5.67 percent in 1991-92 to 39.86 percent in 1995-96.

Total revenue consists of tariff and non-tariff revenue. Non-tariff revenue is normally a marginal element but in this case it did increase from 10 percent in 1991-92 to 25 percent in 1997-98 partly for doubling of non-traffic revenue and partly for 37 percent decline in traffic revenue. Thereafter traffic revenue rose by more than 150 percent while non-traffic did not do so. However, buses owned by NGST account for only 4 percent of the total bus fleet in the state.

Traffic revenue fell during the mid-nineties despite improvement in occupancy ratio because of a fall in the number of buses on road. So it is a bit surprising that despite a 45 percent fall in the number of buses on road, the occupancy improved considerably when fares were increased by 16-20 percent. Not only that, this happened when buses owned by the private operators were also available. This may be due to the fact most of the buses of the NGST plied on those routes where other buses were not operating. Nevertheless, the increase in occupancy as well as the rise in fares was not enough to compensate for reduction in the number of buses on road. However, no significant relationship between fare structure and occupancy ratio can be established in the case of NGST.

Date	Ordinary	Express	Semi-deluxe	Super-deluxe	Hike in fare (%)	Occupancy ratio	Buses on Road
	17	20	25	30		76	121
01.06.93	20	24	30	35	16-20	69	114
01.12.95	24	29	36	42	16-20	83	60/50
15.03.00	34.9	42.1	52.5	61	45	62	96
01.03.01	36.9	44.6	55.7	64.6	6	73	86

However, revenue collection from traffic rose later on, say after 1997-98 when the NGST operated only 50 buses on road, to become almost Rs.5 crore in 2001-02. This owes basically to increase (almost 100 percent) in the number of buses though in later years even rise in occupancy and fare made a difference.

B.17.6: Cost Analysis of the NGST

The total cost incurred was Rs.10 crore, in 1991-92, which increased to Rs.14 crore in 2001-02 by almost 40 percent over the decade but the personnel cost rose four times even when the number of employees stayed put!

Total cost incurred by the NGST is much higher than revenue collected which is reflected in the cost recovery ratio. It was about 30-40 percent in the early nineties, falling to below 20 percent in the mid nineties. However, in the recent past it has recovered to 35 percent.

The personnel cost in NGST is really very high, accounting for about 55-65 percent of the total cost. However in the early nineties it was only about 25 percent of the total cost.

Material cost accounts now for 30-40 percent of the total cost, of which the major portion is appropriated by fuel cost. Fuel consumption is very high in the NGST, just 3.5 KMPL. As major portion of Nagaland is hilly area, it cannot be expected to be, say, 5 KMPL as in the other states, but it should not so high either. Further, it has come down from 3.8 to 3.5.

However, it is directly related with the age of the fleet, which is almost twice of what it was early nineties.

The NGST considers both buses as well as other assets for depreciation. However, it is the passenger buses owned by the NGST that accounts for most of the depreciation. The rate of depreciation in the NGST is around 7 to 8 percent. Data for depreciation is furnished up to 1997-98.

The NGST is accountable to pay interest on capital contribution provided by the state at the rate of 6 percent per annum. The data on actual interest received by the State Government is available for only first two years 1991-92 & 1992-93, when it paid interest of Rs.2.5 crores and 2.85 crores respectively.

Tax paid by the NGST to State Government consists only of motor vehicle tax. Altogether, the total tax payments by the undertaking is very low.

Profit before interest and taxes figure of NGST is not clear because for many years, interest and tax figures are not available. Net profit, which is the difference between total revenue and total cost shows that every year it is negative and increasing in magnitude..

B.17.7: Physical Performance of the NGST

The number of employees in the undertaking is around 1050, which has remained the same throughout the nineties whereas the number of buses on road had declined to 50 in 1997-98 from 121 in 1991-92. Later in increased to 89 in 2001-02.

The bus staff ratio is quite high in NGST. In the early nineties it was about 10. However, in the mid nineties it increased to 17-21, when the number of buses on road fell drastically. But in the later years the NGST purchased some new buses and brought down the bus staff ratio to around 12 in 2001-02.

In the NGST the fleet utilization is very low and declined persistently over the years from 59 percent in 1991-92 to 26.4 percent in 1997-98. Suspension of scheduled services of the buses increased over time from 20 percent in 1992-93 to 50 percent in 1995-96. The poor utilization of fleet in NGST was mainly due to large number of buses remaining off-road, awaiting repairs in the central workshop of the undertaking. In recent years there is some positive change.

B.17.8: Fiscal Impact on the State Budget

Outflow from the NGST to the State Government consists mainly of taxes and interest. However, there were no major receipts by the state government from the NGST, except for two years, 1991-92 and 1992-93, when the outflow from the undertaking was Rs.2.62 crores and Rs.2.85 crores respectively. In other years, it varied from Rs.1 lakh to Rs. 20 lakh.

The NGST, on the other hand receives considerable budgetary support from the state government. The total receipts of the NGST from the state government varied between Rs.3 crore and Rs.6 crores during the early nineties. Since 1995-96, the order of the magnitude of budgetary support is between Rs.9 crore and Rs.13 crore.

The net flow from the state to the NGST is thus quite substantial, about Rs.5 crore and Rs.13 crore. It is quite obvious that the NGST is still in operation mainly due to the budgetary support of the state government. However, the condition of the NGST is far better than many other state undertakings in the north-eastern states. Hence, there is no urgent need for its close down. But still, to remain in operation in the future, it needs to pull up its performance, not only on the financial front but also on physical side.

	Nagaland	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	12.36	12.61	12.86	13.11	13.36	13.61
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	12.36	12.61	12.86	13.11	13.36	13.61
4	Interest received by the State (Int.)						
5	Non Passenger Taxes received by the State (NPT)	0.15	0.17	0.19	0.21	0.22	0.24
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.15	0.17	0.19	0.21	0.22	0.24
7	Burden on the SRTU due to Concessions (B)	0.01	0.01	0.01	0.01	0.01	0.01
8	Effective Receipts by the State (ER_{state})(6+7)	0.16	0.18	0.20	0.22	0.23	0.25
9	Net Flow from the State (NF_{state}) (3-8)	12.20	12.43	12.66	12.89	13.12	13.35

B.17.9: Viability

The NGST is heavily dependent on state budget for its operation, where the annual increase in the state investment has been over Rs.10 crore. The state however does not receive anything in return neither in the form of interest or tax payments. The burden on the SRTU due to concessional travel is only about Rs.1 lakh per annum. So the net flows from the state is basically the annual increase of state investment in the SRTU. If we project the net flows for the next five years it is shown to be increasing by about Rs.23 lakh per annum.

B.17.10: Suggestions

As far as the operating ratio of the SRTU is concerned, it is far too high to make it commercially viable. There are not enough indicators to show that there is a possibility for the NGST to turn around in the future. As far as the option of its revival is concerned privatisation cannot be suitable as there are over a thousand employees in the SRTU and retrenching them will not come cheap.

B.18
ORISSA

B.18.1: The State

Earlier part of Bengal Presidency, the state of Orissa is situated in the eastern part of India and has a rich cultural heritage. Orissa was formed as a separate state on 1st April 1936. After independence, princely states within the territory of Orissa were merged with it. But presently it is one of the major but backward states with inadequate infrastructure facilities and communication. With a population of 3.75 crore, Orissa covers on area of 155700 sq. km. and has road length of 262700 km. Road transportation is the lifeline of Orissa because railway communication is available only in certain pockets of the state though new railway lines are being laid in the remote areas. There is only one airport at Bhubaneswar.

B.18.2: Passenger Transport in Orissa

Before independence, there were no proper transport facilities in the State except in some of rich princely states like Baripada and Puri. The condition of road transport sector in Orissa is still said to be precarious.

The number of buses held by Orissa State Road Transport Corporation was 625 in 2000. The buses with the private operators were 12618. Thus number of buses with the public undertaking was hardly 5 percent in the same year.

B.18.3: The Orissa State Road Transport Corporation (OSRTC)

The Orissa State Road Transport Corporation came into existence in 1st May 1974 out of State Transport Service (STS), which was established on 1st January 1948. There also existed Orissa Road Transport Company Limited (ORTC), established in 1950. The STS and the ORTC operated on the two sides of Mahnadi—one having blue colour and other having red colour. There were thus two public undertakings in Orissa from 1950 till 1990.

However, the ORTC was merged with the corporation on14 August 1990. According to the MOU all the assets and liabilities of the erstwhile ORTC as on 15 August 1990 were taken over by the OSRTC which has consequently to bear an additional burden of Rs.26 crore being the of erstwhile ORTC on the understanding that Government of Orissa would reimburse OSRTC the amount of loss sustained by the erstwhile ORTC. Now there exists only one public undertaking in public passenger transport, which is Orissa State Road Transport Corporation.

Out of 625 in 2000, only 272 buses were actually on road! In the subsequent years the number of buses further declined. In 2001-02 there were only 271 buses in the fleet, which means all useless buses were actually scrapped and sold out. Of these 272, 251 were actually on road. They constitute effectively only 2 percent of the total number of buses in the state.

B.18.4: Capital Structure of the OSRTC

Under Section 23(1) of the Transport Corporation Act 1950, the State Government and the Central Government had agreed in 1974 to contribute capital in the ratio of 2:1. But after merging of the ORTCL with OSRTC the ratio changed as State's share increased. The capital contribution of the State Government and the Central Government ratio came to be 9:2 in 1991-92. The ratio further increased in the subsequent years and it was 6:1 in 1994-95. After then both the Govt. have converted their loan capital and interest accumulated on the said

loans into share capital before 31.3.96. Hence, the loan capital position of OSRTC became nil as on 31.3.96. Along with the share from both Govt. private parties also held some shares in OSRTC and the amount in 1997-98 was Rs.80 thousand. The share of the State Government in capital contribution is currently is 80 percent.

The total loan taken by OSRTC was Rs.33.70 crore in 1991-92. Between 1998-99 and 1999-00 there is sudden increase in the loan amount of around Rs.30 crore. This may be due to purchase of new buses and the expenditure incurred by rightsizing of workforce and restructuring since 2000-01 under various parameters. After 2001-02 the outstanding loan amount decreased to Rs.52.64 crore. State loan is the major proportion of total loan amount taken by OSRTC. The OSRTC depends for loan on sources other than the State exchequer and it is from IDBI, LIC, HUDCO/BDA and other commercial banks.

(Rs in crore)

Loans taken from	**2001-02**	**2002-03**
State Government	23.02	35.63
IDBI	7.10	0.38
Commercial banks	25.20	0.89
LIC	14.10	14.10
HUDCO/BDA		1.64
Others	1.7	
Total	**71.12**	**52.64**

Various loans and overdrafts have been cleared in 2002-03 by the State Government on behalf of the OSTRC under its one-time settlement (OTS). In fact, the Government stood guarantor for loans.

Reserves are corporation's own resources. But there is scant information available on these. We are using two sources: Annual Accounts of the OSRTC for certain years and for other years ASTRU reports on profile and facts. While GAG reports 'reserves and funds', ASTRU reports 'general and other reserves'. The amalgam is not very good. But we have used it. For the years we did not information we have simply interpolated. It is important to note that various funds included in this head, informs OSRTC reports, are being maintained and administered on the basis of book balance and not on bank balance, which means there is no actual cash investment in respect of balances.

The OSRTC is a loss-making corporation. The accumulated losses increased with passage of time. In 1991-92 it was Rs.110.15 crore, which gradually increased to Rs. 248.88 crore in 2002-03. It is quite interesting to observe that accumulated losses are more than total capital contribution plus total loans.

Capital invested which is the sum of total capital contribution, total loans, reserves, and accumulated profit (or loses) for the OSRTC, was positive till 1995-96 but turned negative thereafter and was normally increasing. At the end of 2002-03 it stands at Rs.58 crore. Since there is problem with reserves figures, this has to be taken with a pinch of salt.

Net value of the fixed assets of the OSRTC decreased continuously over the years from Rs.28 crore to Rs.13 crore. Capital employed is the sum of net fixed assets and net current assets minus current liabilities. There is a declining trend at the capital employed of the OSRTC. Capital employed was following the trend of capital invested and for years 1997-98 through 2002-03, even the figures. The factor responsible for the decline in capital employed and turning it negative is the fact of current liabilities overshadowing all assets—net fixed and current assets.

B.18.5: Revenue Analysis of the OSRTC

There is mixed picture of ups and downs in the revenue collected by the OSRTC 1991-92 onwards. First it increases from Rs.35.32 crore to Rs.44.30 crore in1993-94 and then decreases gradually to reach Rs. 22.50 crore in 1997-98. Then it started slowly rising. In 2002-03 total revenue collection is Rs. 32.70 crore. Proportion of non-traffic revenue is rising and has risen from around 4 percent to 14 percent due to excess sale of old and unserviceable vehicles and store materials. The non-traffic revenue mainly consists of scrap sale proceeds, lease rent of premises/stalls, mobile and fixed advertisement, financial investment is made only in the banks in the shape of fixed deposits.

	2001-02		2002-03	
	Actual amount	**% to Total**	**Actual amount**	**% to Total**
1.Traffic Revenue.	**27.23**	**87.14**	**28.64**	**87.61**
Revenue from passenger	26.00	83.20	27.4	83.82
Contract service	0.38	1.22	0.30	0.92
Passenger luggage	0.14	0.45	0.16	0.49
Others	0.71	2.27	0.78	2.39
2.Non-traffic Revenue.	**4.02**	**12.86**	**4.05**	**12.39**
Advertising	0.10	0.32	0.06	0.18
Rent	0.36	1.15	0.42	1.28
Fines	0.26	0.83	0.20	0.61
Others	3.3	10.56	3.37	10.31
Total Revenue	**31.25**		**32.69**	

B.18.6: Cost Analysis of OSRTC

We now analyse the cost structure of the OSRTC. To begin with, personnel cost that accounted for about 25 percent of the total cost in the early nineties, rose close to 45 percent in the mid of nineties and then declined to less 25 percent Cost incurred by the OSRTC has always been more than total revenue collected. Cost reduction if any followed reduction in revenue. Material cost is now one-half of the total cost while the personnel cost one-fourth of it

	2000-2001		2002-03	
	Actual amount (Rs in cr.)	**% of the Total cost**	**Actual amount (Rs in cr.)**	**% of the Total cost**
Personnel cost	8.93	24.29	7.42	23.06
Material cost	16.24	44.17	16.7	51.91
Taxes	1.99	5.41	2.19	6.81
Interest	5.39	14.66	1.53	4.76
Depreciation	2.38	6.47	2.10	6.53
Others	1.84	5.00	2.23	6.93
Total	**36.77**		**32.17**	

Interest and taxes are other two components of total cost. Interest paid by the OSRTC to Central Government, State Government and others decreased over the early nineties, say from Rs.5 crore in 1991-92 to Rs.0.14 crore in 1997-98. Because of fresh loan for purchase of 100 new buses in1997-98, it rose to about Rs.5.39 crore and at present it is Rs.1.53 crore. State receives taxes from OSRTC. The taxes paid by OSRTC consist mainly of motor vehicle tax. Motor vehicle tax is paid on the monthly basis. There is no passenger tax in Orissa. Total tax proceeds are not high—neither in terms of absolute amount nor as an average rate.

Cost recovery ratio has always been less than unity. It reached 47.41 percent in 1998-99. But presently it stands at 89 percent partially thanks to non-traffic revenue, which is now 14 percent as against 4 percent a decade ago. It is intriguing to note here that there is a gradual decline in the size of employment and number of buses on road of OSRTC yet total cost did not decline as much as it should have. The corporation retired 2240 redundant staff in five MVR and one MVS schemes during 1999-2000 through 2002-03 under assistance from the government, besides 700 on super-annuation or disciplinary actions.

B.18.7: Physical Performance of the OSRTC

It seems the OSRTC has taken some steps to reduce costs. In 2000-01 the OSRTC has scrapped 325 buses and next year another 72. Total employment has reduced from over 7500 in 1991-92 to just around 1600. Bus staff ratio per bus-on-road, which over 16 in 1997-98 and 1998-99, has come down to 6.65 in 2002-03.

Fleet utilization ratio, which was around 80 percent in the early nineties, plummeted to 40 percent in 1998-99. Purchase of new buses and scrapping of old and standing buses brought some order now it is around 91 percent. Vehicle efficiency is also improving on a trend basis. But occupancy ratio is a real concern, which of late has come down drastically and may not be because of upward revision in fare in late 2000, which is rather nominal.

	Ordinary	Express	S/Fast	Deluxe	Deluxe A/C	Hike in %	Occupancy
01.11.92	16	18	22	25			67
01.07.96	20	22		30		20-25	71
26.10.99	26	28		36		20-30	67
28.10.00	29	31		39	48	08-11	68
24.07.02	31	33		42	51	06-07	53
16.08.04	35	37		48	59	12-15	

It is alleged that bus fares are gotten raised by the lobby of private bus operators, who stand to gain from fare hike as they offer a little lower fare and thus snatch whatever few passengers choose to travel by the OSRTC buses on economic routes. Private bus operators on the other hand claim that the fares in the neighbouring states are much higher. In inter-state sectors this could be valid argument but within-state what could be its justification. Fare has something to do with income of the people as also on the wages paid to the employees.

Due to smaller number of buses, they say, the OSRTC operate only long routes. One could well say that now it is the question of their survival rather service of the people!

B.18.8: Fiscal Impact on the State Budget

The OSRTC is getting financial support from the state government through capital contribution, loans and subsidies and grants. Even if one considers the actual receipts of both the State and the corporation from each other, one finds that the corporation is the net receiver. The contribution of the OSRTC to the state exchequer is indeed very low.

Subsidies given by the State to the ORSTC have been lower than the burden of concessions borne by the corporation. While subsidies were at most Rs.1.60 crore, the receipts varied from Rs.1.60 crore to Rs.3.94 crore. If the corporation were to be fully compensated for this burden, then current loss at present would be much less.

A total receipt by the state government from the OSRTC has been decreasing considerably over the years. During the period since 1991-92, it has decline from Rs.8.89 crore to Rs. 3.72 crore in 2002-03.

We find that net flow is towards the state in a few years and towards the corporation in other years. Net flow from the state is now positive except 1998-99 and 2001-02.

Based on this, we now project the net flows from the state to the OSRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is getting from the state exchequer, to the tune of Rs.3.70 crore. The OSRTC was one of the loss-incurring corporation. But after 2000-01 when it started the process of restructuring and reform, in last two years the corporation is getting profit. It is expected that there may be a turn-around of the net flow from positive to negative. It means instead of taking more from the state it will be able to give more.

	(Rs. crore)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	5.47	5.79	6.13	6.49	6.86	7.26
2	Subsidies/Reimbursement from the state (S)	1.60	1.60	1.60	1.60	1.60	1.60
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	7.07	7.39	7.73	8.09	8.46	8.86
4	Interest received by the State (Int.)	1.68	1.72	1.76	1.80	1.84	1.89
5	Non Passenger Taxes received by the State (NPT)	1.93	1.92	1.90	1.89	1.87	1.86
6	Total Receipts by the State from the STRU (R_{state})(4+5)	3.61	3.64	3.66	3.69	3.71	3.74
7	Burden on the SRTU due to Concessions (B)	1.77	1.69	1.62	1.54	1.48	1.41
8	Effective Receipts by the State (ER_{state})(6+7)	5.38	5.33	5.28	5.23	5.19	5.15
9	Net Flow from the State (NF_{state}) (3-8)	1.69	2.06	2.45	2.85	3.27	3.71

B.18.9: Viability of the OSRTC

At present the OSRTC is a profit making Govt. undertaking. The corporation has been undergoing rightsizing of workforce and restructuring since 2000-01 under various parameters. The corporation was making heavy losses in the earlier years but the same was reduced during the 2000-01 and 2001-02 and finally generated net profit of Rs.0.52 crore in 2002-03. The various measures taken by the corporation are: (a) Reduction in units, as on 1.4.2000 the corporation had 38 units but now the number of units/establishments is only 14. (b) Retirement of redundant and surplus employees. After the restructuring of OSRTC in 2000-01 2853 redundant employees were retired under M.V.R. or M.V.S. Scheme. (c) Increase in payload (d) Induction of new buses (e) Reduction of loan burden etc under One Time Settlement (OTS). (f) Increased non-traffic revenue.

It can be expected to serve for the people of Orissa through limited number of buses and the routes, without falling ill.

B.18.10: Suggestion

The OSRTC have already started the process of restructuring in 2000-01. The major policy undertaken by the corporation is to cut down its employee size. This was enabled by the implementation of the Voluntary Retirement Scheme (VRS) due to which, the number of employees fell from 4455 in 1999-2000 to 1602 in 2002-03. It may have fallen further in the last fiscal year (2003-04). This trend needs to be continued in the near future also. The corporation has reduced its outstanding loan burden taken from various commercial banks under One Time Settlement (OTS). To augment the revenue earnings the corporation can look for avenues to earn non-traffic revenue, like renting out premises, giving licenses to private parties for opening stalls, restaurants, kiosks, telephone booths etc. To reduce the material cost the corporation has to do away with the over aged buses on a regular basis; not only do they consume more fuel but also increases the repair and maintenance costs due to frequent breakdowns. It is already has in mind to make its land asset for reducing interest bearing liabilities.

B.19
PUNJAB

B.19.1: The State

The present state of Punjab is a small, truncated part of what it was not very long ago. It included the state of Punjab now in Pakistan, Haryana and Himachal Pradesh. Among its neighbours it has Pakistan in the west, and in the north Jammu & Kashmir, in the east Himachal Pradesh and in the south Haryana. It covers an area of 50392 sq km and has a population of about 2.5 crore. The state has an efficient system of land transport network. Accessibility in different areas of Punjab is through roads and railways though it has an airport at Amritsar, besides Chandigarh (not a formal part of Punjab). It has a total road length of 64352 km and thus road density of around 1.25 km per sq km. The traffic originating and terminating within the boundaries of Punjab, is by a large moved by road, while inter-state transport of goods and passengers is mainly carried through the railways. Due to good network of roads in Punjab, road transport carries a larger share of passenger traffic within the state.

B.19.1: Passenger Transport in Punjab

The total public sector transport network in the state of Punjab comprises five nationalized transport undertakings. Out of these five, three are municipal undertakings, one is a corporation under Road Transport Corporation Act and the fifth one is a departmental undertaking.

The total number of passenger buses in Punjab (as on 31.03.2003) is 16917. In the total bus fleet of 13813, a few years ago, it was found that there are 11000 in the private sector and 2813 in the public sector. The remaining buses may be inferred to be for contract services/ municipal service. Of the total passenger buses operating in Punjab, the PRTC accounts for only about 7 percent of the fleet, the Punjab Roadways just over 13 percent and the private operators own the rest– almost 80 percent.

Buses owned by	Fleet Strength	Share (percent)
STPJB	1857	13.44
PRTC	956	6.92
Private Operators	11000	79.64
Total	**13813**	**100.00**

However, the trend was just the reverse in the early eighties. The public sector undertakings, the PRTC and the STPJB put together, accounted for 70 percent of the total bus fleet, the rest being owned by private operators, including the Co-operative Transport Services. However, there was no significant change in the bus fleet strength over the past 20 years, either in the PRTC or in the STPJB. The fleet strength in the PRTC and the STPJB in 1982-83 was 930 and 2248 respectively. The corresponding figures at present (2002-03) are 956 and 1857 respectively. There is thus decline rather than increase.

On the other hand, passenger buses with private operators have increased from 1443 in 1982-83 to about 11000 in 2002-03. Thus, it is quite obvious that the increase in the number of passenger buses in the state has been primarily due to increase in the fleet of private operators in the eighties and nineties. Since the buses purchased by private operators are on the basis of the permits granted to them by government for operation, the increase in the private operator's share has to do with the Government's policy of privatization.

The STPJB and the PRTC operates its bus fleet in both the rural and inter-city services. As quite a considerable part of the state has hilly terrain, these SRTUs also run their bus services in the hilly areas. The Municipal Undertakings, however, provide only city local services in the cities of Amritsar, Jalandhar and Ludhiana. The two main undertakings, i.e., STPJB and PRTC shall be dealt with separately.

B.19.2: PEPSU ROAD TRANSPORT CORPORATION (PRTC)

Patiala and East Punjab States Union (Pepsu) Road Transport Corporation (PRTC) is a statutory corporation, under the Road Transport Corporations Act, 1950 and was established on 7th January 1956 in the PEPSU, a B-category state before reorganization of the states in 1956, which was merged with Punjab later the same year. The PRTC operates through 11 depots scattered throughout Punjab, providing rural and inter-city services.

B.19.2.1: Capital Structure of the PRTC

Audit of the PRTC is conducted under the provisions of section 33(2) of the Road Transport Corporations Act, 1950. The corporation receives capital contribution from the State and the Central Government in the ratio 2:1, as per mutual agreement under section 23 of the above Act. The corporation is entitled to pay interest on capital contribution to the State Government at the rate 6.25 per cent per annum. The total capital contribution changed from less than Rs.100 crore to Rs.160 crore in ten years since 1991-92. In a few years, there are noticed non-plausible rise and fall!

The PRTC raised loans from the State Government and the nationalized banks. Major contributor is reported as the 'other' in the early nineties whereas later it is the commercial banks. But what is interesting is that a particular sum of Rs.46.29 crore keeps doing rounds: it is under 'others' in 1995-96 through 1997-98, under 'debentures' in 1998-99 and under 'loans from IDBI' in 1999-00. All this can happen but such possibilities are rarest of the rare. One finds that this amount of loan/ debenture was converted into capital contribution of the state in 2000-01 and the amount of outstanding loan reduces to Rs.7.75 crore, which reduces to Rs.7.57 crore in the following year. This changes only the composition of external capital.

The corporation incurs huge amount of losses. The accumulated losses of the PRTC increased from Rs.185.06 crore in 1991-92 to Rs.377.78 crore in 2001-02, registering a growth of 104 percent during that period. However, it fell below Rs.300 crores in 2002-03. Whatever little reserves it had till 1995-96 have come to naught. This resulted in the fact that it only not eroded the entire capital base of the corporation, internal and external, but also made it hugely negative.

Due to the huge amount of losses, the capital invested of the corporation was negative throughout the period. In fact, over the years, the value of capital invested kept on falling, from (-) Rs.11.37 crore in 1991-92 to (-) Rs.212 crore in 2001-02. However, in 2002-03, capital invested of the PRTC registered a value of (-) Rs.123 crores. So, there are some signs of encouragement.

Value of net current assets is negative and large. As the net value of fixed assets is lower in absolute terms than the net value of current assets (which is negative) for all the years since 1991-92, capital employed (net fixed assets + net current assets) of the PRTC is also negative throughout the period. It is also to be noted that, the figures of capital invested is similar to that of capital employed, which has been noted in most of the corporations.

Net worth of the PRTC is also negative. It fell from (-) Rs.61 crore in 1991-92 to (-) Rs.221 crore in 2001-02 and improving in 2002-03 to Rs.132 crores. One can notice that

stock net worth was positive in certain years, even currently, about Rs.17 crores. The short point is that capital invested, capital employed and net worth of the corporation are all negative.

B.19.2.2: Revenue Analysis of the PRTC

We now discuss the revenue side of PRTC. There is very little non-traffic revenue, hardly 5 percent. But there is a heavy passenger tax in Punjab. It is now known as special road tax and collected in terms of per seat per day and according to class of service. Though revenue has always fallen short of the cost incurred by PRTC, yet it is quite evident that the corporation's present state of affairs has largely been due to lapses on the part of the Management. Plying of buses on uneconomic routes, presence of overaged bases and non-revision of bus fares in tune with the increase in operating cost has led to a loss in potential revenue of the corporation by about Rs.70 crore.

It is pointed out that the revisions of fares were less than the rise in operating cost. The bus fare in the PRTC was revised on 1.7.1998 to 36 paise/km from 25 paise/km (revised on 9.11.94), thereby registering an increase of 44 percent, whereas the operating cost grew by close to 70 percent over the same period. According to the CAG, the non-revision of bus fares for long resulted in loss of potential revenue of about Rs.56 crore. We have argued a bit differently in subsequent paragraphs.

Occupancy ratio in the PRTC has been earlier in seventies and now in sixties. Only once it was 83.5 and that was in 1997-98. It was less than the break-even occupancy ratio. The break-even occupancy ratio was increased mainly to counter the effect of the increase in operating cost and delay in the revision of fares. In fact the drastic fall in occupancy ratio from the late nineties has been attributed to the steep upward revision of bus fares, which is shown in the table below (fares in paise).

Date	Ordi-nary	Express	Semi-deluxe	Luxury	Luxury (AC)	Hike in fare (%)	Occupancy ratio	
							PRTC	STPJB
01.11.92	21.13	26.40	31.68	42.50	73.15		76	73
09.11.94	25.00	31.25	37.50	50.00	87.50	19	71/83*	71
01.07.98	36.00	45.00	54.00	72.00	126.00	44	68	54
12.11.99	39.00	48.80	58.50	78.00	136.50	6-8	65	56

*Occupancy in 1997-98 in the year before revision.

There exists an inverse relationship between fare and occupancy. Passengers are likely to react to the margin of increase in fares than to sleeping period of non-increase. Therefore, in the case of PRTC, when the fares were revised in 1998, even after a gap of 4 years, the occupancy ratio dropped from 83 percent in 1997-98 to 68 percent in 1998-99. Let us remember money illusion. Occupancy ratio further went down. It picked up a little in 2003 and that has made it earn some profit in terms of gross margin.

It is alleged that, in spite of repeated requests to the State Government for increase in fares, the fares were revised after a gap of 4 years. This is calculated to have resulted in a potential loss in revenue of Rs.56 crore during the period 1996-97 through 1998-99. One needs not agree with this calculation.

Burden of concessional travel for students, blinds, freedom fighters, journalists etc, is borne by the PRTC as it is not paid to the corporation by the government, nor is factored into fares. Factoring into fare would help the private operators. Better is that undertakings are compensated for this burden. The corporation had to forego on this count a substantial

amount of potential revenue: from Rs.15 crore in 1995-96 to Rs.22 crore in 2001-02. In fact in 1999-00, the burden was Rs.27 crore.

B.19.2.3: Cost Analysis of the PRTC

Costs of the corporation have always been higher than the revenue it earned. Even operating cost would often exceed unity. This is reflected in the cost recovery ratio, which is around 70-80 percent, except in 1994-95, when it was above 90 percent. The high level of costs can be contributed to various factors.

Personnel cost of the PRTC accounted for 33-34 percent till 1996-97 whereafter it hovered around 38-40 percent. In this calculation passenger tax has been excluded from the cost. If the cost is netted for passenger tax, this component assumes much higher proportion. We have made one adjustment. For two years 2000-01 and 2001-02 we notice that passenger tax has been shown very low but special road tax (a speciality of Punjab) is quite high. The two put together are almost of the same magnitude as passenger tax in the previous years. Moreover, in the case of STPJB, most of the tax is reported under SRT. For equal treatment this needs to be done. Under these calculations, the personnel cost is found to constitute a little than 50 percent rather a little less than 40 percent. See the Table below (absolute figures in Rs. Crore).

Year	Total Cost	Passenger Tax	Net Cost	Personnel Cost	Personnel Cost as % of	
					Total Cost	Net Cost
1997-98	137.84	27.82	110.02	55.11	39.98	50.10
1998-99	147.94	30.46	117.48	56.71	38.33	48.83
1999-00	157.77	32.75	125.02	61.05	38.69	48.83
2000-01	157.63	32.12	125.51	61.60	39.08	49.07
2001-02	158.75	27.71	131.04	62.26	39.21	47.51
2002-03	160.53	25.69	134.84	63.84	39.77	47.35

However, it should be noted that bus-staff ratio as of now is not high in the PRTC. Till the late nineties it was about 5.5 – 5.8. However, in the recent past it has fallen below 5, which is quite praiseworthy; but the cost has not. Rather there is a sudden jump in personnel cost 1997-98, which is 40 percent, which we guess to be the result of pay revision in terms of arrears. Yet, it is generally understood that the personnel cost is on higher side. One simple reason is that salaries in Punjab are likely to be higher. But the guess that same personnel is being overly paid in terms of overtime, may not be discounted.

According to the CAG, the PRTC employs excess staff over the required norm. This entailed an avoidable expenditure of about Rs.12 crore. In spite of the presence of excess staff than the required norm, the corporation paid overtime allowance, amounting to Rs.9 crore during 1994-95 to 1998-99. This is quite intriguing because, not only the staff cost of the PRTC was higher than the other SRTUs in the neighbouring states, but also the bus utilization (km./bus on road/day) was much lower in the PRTC than these states.

The presence of overaged buses also resulted in higher costs incurred by the corporation. The norm set by the ASRTU in 1971 was that a minimum of 60 percent of the strength of the SRTU should consist of vehicles with less than four years. However, the corporation has fixed life of a bus as seven years. Average age of its fleet is now approaching 7 years. In March 2001, about 50 percent of the total fleet had already outlived their life. Due to this, the corporation incurred an avoidable cost (loss in potential revenue) of Rs.4 crore. This is because, against the overall utilization of buses of 250 km./day, the average bus utilization of the overaged buses was only 175 km./day.

The tax rate in Punjab is very high as compared to other states. The PRTC pays tax at the rate of 30 percent per annum. After the introduction of Punjab Motor Vehicles Taxation (Amendment) Act, 1993, the erstwhile passenger tax was replaced with the Special Road Tax in June 1993. This was to be paid in advance on monthly basis keeping in view the sanctioned kilometers and seating capacity. Consequently, the corporation was required either to operate it sanctioned kilometers (in Punjab only) in full or to get them reduced matching with its operational capacity. The corporation failed to fully operate the sanctioned distance or get it reduced. It had therefore to pay the maximum possible Special Road Tax. This resulted in an avoidable payment of Special Road Tax to the amount of about Rs.9 crore.

The corporation plies buses on uneconomic routes as a part of social obligation, where even the operating cost is not recovered. To illustrate the above point, we find that during 1996-97 to 1999-2000, about 98 percent of the routes operated by the corporation were uneconomic. This resulted in a loss of about Rs.15-26 crore, resulting in a total burden of Rs.68 crore during this period.

The fuel consumption of the corporation is also on the higher side. Due to this, the State Government fixed a norm of full consumption at 4.5 KMPL. However, in PRTC, it was always less than the norm, hovering around 4.26 KMPL. In fact, it was much less than the all-India average of 4.65 KMPL as well as the KMPL achieved by other STUs of the neighbouring states. Roads in Punjab are better compared to other states and even if bus fleet is pretty old, there is still scope for the corporation to reduce the fuel cost considerably.

B.19.2.4: Physical Performance of the PRTC

As far as physical performance of the PRTC is concerned, the average number of buses held by the corporation is 1088 as on 2002-03 of which 1033 are on road. However the number of employees is decreasing gradually and it is 4664 in the same year. Fleet utilization in the PRTC ranges between 90-95 percent, implying that most of buses held by the PRTC are on the road. Of late, it is even improving. There is also an improvement in vehicle productivity (measured in terms of kilometers per bus per day) in recent years.

Occupancy ratio had reached its highest of almost 83 percent in 1997-98 but plummeted to just 65 percent in 1999-00. However, it is re-bouncing and in couple of years since then it has improved to 71 percent. One major reason for the sharp fall in occupancy ratio seems to have been the sudden rise in the fares in the PRTC. One cannot however find a definite relationship between hike in fares and fall in occupancy ratio. See Table below:

Date	Ordi-nary	Exp-ress	Semi Deluxe	S/Lux.	A/C	Rise (%)	Gap yr-m	Occu-pancy
01.06.93	21.13	26.41	31.70	42.26				76
09.11.94	25.00	31.25	37.50	50.00	87.50			71
01.07.98	36.00	45.00		72.00	126.00		8m	68
12.11.99	39.00	48.80	58.50	78.00	136.50		1y 4m	65
31.01.03	42.00	52.50	63.00	84.00	147.00		3y 2m	71

The age of bus fleet in PRTC is not in accordance with the norms laid down by ASTRU. Most of the buses owned by the corporation are overaged with average age of buses being 5-7 years. The buses of the PRTC have not been replaced regularly so that efficiency of the fleet is far from satisfactory as it leads to frequent breakdowns and excess consumption of fuel.

B.19.2.5: Fiscal Impact on the State Budget

While the PRTC receives additional capital contribution and loans and subsidies/grants from the State Government, the State receives from the PRTC the interest payments by the

corporation and the taxes and also repayment of principal amount of loan. As per the Road Transport Corporation Act, the State Government is to receive interest on the capital contribution provided to the corporation. Apart from that the state provides loans to the corporation, on which interest is charged. The interest on capital contribution, at 6.25 percent per annum, comes to about Rs.5 crore annually during the entire nineties. Since the capital contribution increased by about Rs.50 crore in 2000-01, interest payable becomes Rs.8.5 crore annually. However, the total interest paid by the corporation was only about Rs.6 crore so, it seems that the interest payable to the State Government is not totally realized. As on 31st March 2000, the interest on capital contribution payable to the State Government amounted to Rs.26 crore, which was not paid due to paucity of funds.

The corporation receives loans from the State Government as well as from nationalised banks. Though the loans of the latter are repaid regularly, the loans of the State Government are not repaid on time. In fact, as on 31st March 2000, loan amount of Rs.26 crore and interest thereon of Rs.25 crore were overdue for repayment. The total receipts of the State therefore were much less than the potential receipts. On an average, the State receives an amount of about Rs.10 crore from the corporation annually, except in 1994-95, when it received only about Rs.3 crore.

The corporation, on the other hand, receives only the compensation for the concessional travel, investment flows and subsidies (if any). The subsidies received by the corporation were sporadic in the early and mid nineties. However, in the recent past, the corporation received subsidies of Rs.6 crore to Rs.9 crore annually from the State Government. In fact, in 2002-03, it received an amount of Rs.22 crores as subsidy/reimbursement from the State Government.

Now comparing the outflows from both side, i.e. from the corporation to the State Government and vice versa, it is quite difficult to analyse the exact scenario. While in some years, the State Government was providing budgetary support to the PRTC; there were years, the corporation which was the net payee. However, it is to be remembered that, on one side, loans and interest payments are not repaid by the corporation, while on the other side, the burden incurred by the corporation, as a part of social obligation of the state, is not compensated by the latter on a regular basis. However, recently the government is making efforts to reimburse the burden completely as in 2002-03.

B.19.2.6: Viability of the PRTC

This one is a large corporation, plying over 1000 buses, employing over 5000 people, serving certain socially desirable routes. It cannot be closed down. Total bus fleet is over-aged, resulting in low utilization of fleet and low productivity of buses, which are plied. Raising fare beyond compensating for inflation is fraught with further erosion in occupancy ratio.

Who will own it without compromising service to the people? Should the government unbundled land and other assets and sell them separately? Or should the government, which is the final owner, lease out land and premises the corporation presently occupies?

Based on this, we now project the net flows from the state to the PRTC over the next five years, 2004-05 to 2009-10. We find that the corporation is providing some amount of funds to the state exchequer. The amount is likely to come down from Rs.14 crore in 2004-05 to Rs.3 crore in 2009-10.

	Punjab (PRTC)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	21.51	24.23	26.95	29.67	32.38	35.10
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	21.51	24.23	26.95	29.67	32.38	35.10
4	Interest received by the State (Int.)	6.93	7.47	8.01	8.55	9.10	9.64
5	Non Passenger Taxes received by the State (NPT)	7.06	7.23	7.39	7.56	7.73	7.89
6	Total Receipts by the State from the STRU (R_{state})(4+5)	13.99	14.70	15.41	16.11	16.82	17.53
7	Burden on the SRTU due to Concessions (B)	21.74	21.53	21.32	21.11	20.90	20.69
8	Effective Receipts by the State (ER_{state})(6+7)	35.73	36.23	36.73	37.23	37.73	38.23
9	Net Flow from the State (NF_{state}) (3-8)	-14.22	-12.00	-9.78	-7.56	-5.34	-3.12

B.19.3: PUNJAB ROADWAYS/STATE TRANSPORT PUNJAB (STPJB)

Punjab Roadways is a departmental undertaking of the Government of Punjab. It is twice as big as the PRTC, in terms of fleet and in terms of employees. Punjab Roadways or State Transport Punjab (STPJB) came into existence in 1948. The main objective of the STPJB has been to provide adequate passenger transport services to the public economically. The primary responsibility of the STPJB is to undertake passenger bus services in the allotted areas of the state and outside the state in accordance with the state government's road transport policy and its agreement with other states. At the time of reorganization of the state into Punjab and Haryana in November 1966, the STPJB had only four depots at Amritsar, Jalandhar, Faridkot and Chandigarh. Since then it has undergone a radical change. The number of depots through which the STPJB operates has increased to 18. The type of services provided by the Punjab Roadways (STPJB) fleet consists of a) District buses which run in the plains, have wider and larger body and a higher seating capacity; b) Local buses which are designed for greater mobility of passengers, c) Hill buses, which have a smaller body and lower seating capacity in order to enable it to traverse in hilly and difficult terrains with ease.

B.19.3.1: Capital Structure of the STPJB

The State Government provides capital contribution to the STPJB exclusively. Capital contribution has been about Rs.40 crore with little increase in most of the nineties. However, the contribution of the State Government of Punjab at the turn of century has increased to about Rs.60 crore—which is almost half of the PRTC. Moreover, there are no outstanding loans against it, if the reporting is correct.

B.19.3.2: Revenue Analysis of the STPJB

The revenue earned by the STPJB is not sufficient to recover the costs. The cost recovery ratio has been 70-80 percent in the nineties, though in the early nineties it reached about 90-95 percent. However, in the recent past it has deteriorated to about 67 percent, which is a serious matter.

B.19.3.3: Cost Analysis of the STPJB

Taking a look at the cost side, we find that the personnel cost of the STPJB has been around 40 percent in the early nineties but introduction of special road tax (taken as a cost) in 1993-94 suddenly reduced it to 32 percent. This proportion crept a while. But galloping rise in personnel cost from 1996-97 and in special road tax from 1997-98 saddled it at around 40 percent. If special road tax could be considered equivalent to passenger tax (a difficult proposition), then it would be noted that personnel cost is on the other side of the 50 percent—as much as 56 percent in 1999-00. Why did the personnel cost rise so fast and every

year four years upto 1999-00 is a matter of further research because staff strength was not rising.

Year	Total Cost	Special Road Tax	Net Cost	Personnel Cost	Personnel Cost as % of	
					Total Cost	Net Cost
1997-98	248.62	54.05	194.57	96.82	38.94	49.76
1998-99	293.36	80.33	213.03	116.25	39.62	54.57
1999-00	310.57	88.43	222.14	124.63	40.13	56.10
2000-01	321.19	84.84	236.35	124.77	38.85	52.79
2001-02	316.21	76.24	239.97	125.34	39.64	52.23

The bus staff ratio is higher in the STPJB as compared to the PRTC. Its sudden rise in 2001-02 to 7.2 (from 5.9 in the previous year) is because of a drastic fall in the number of buses on road. The corresponding figures in neighboring state of Haryana – STHAR is also lower. Therefore there is scope for reduction in bus staff ratio. Reduction should not be resorted to by having more buses if it may result in corresponding reduction in occupancy ratio. However, if the drastic fall in the number of buses on road is the reason for the sudden rise in bus staff ratio in 2001-02 then how can one explain the fall in the bus staff ratio to 5.85 in 2002-03 when the average number of buses on road in both the years are almost the same.

Attempts are being made to reduce the size of employment in STPJB. In fact, at the turn of the century, there has been a downsizing at the rate of 5 percent. Also, the checking staff after all does not provide much benefit though one could argue that their presence is a deterrent to the errand passengers and staff. It is not accepted in today's environment. The STPJB must try to do away with such staff, as they are basically a burden on the undertaking.

The fuel cost is also quite high in the STPJB, accounting for about 25 percent of the total cost. The fuel consumption by the buses under the ownership of STPJB is between 4.08 to 4.23 kms per litre. With the kinds of roads Punjab has, the consumption of fuel should be improved considerably. Many other undertakings are consuming much less fuel per kilometer. The Punjab Roadways (STPJB) did not fix any norms for the consumption of HSD. The norm fixed by some members of ASRTU, viz., UPSRTC and OSRTC for fuel consumption is 4.5 kms per litre. According to the CAG, the excess consumption of HSD by STPJB buses resulted in a loss of Rs.17 crore to the undertaking. However, it is possible that consumption is bad as the fleet is quite old.

The rising fuel costs has mainly to due with the problem of overaged fleet. According to ASRTU's recommendation, 60 percent of the fleet strength of a transport department should consist of buses with less than four years of operation. However, average age of the bus fleet in STJPJB is seven years. Due to excessive utilization of overaged buses, Punjab Roadways incurred a loss of potential revenue of Rs.50 crore. One could well argue having new fleet also has cost, but we may suggest it will result in saving on balance.

Taxes form a big part of the costs in Punjab Roadways. Tax as a percentage of revenue is very high, about 30-40 percent, which is even higher than in the STHAR, in the neighbouring state of Haryana. Under the Motor Vehicle Act, bus operators are liable to pay Special Road Tax, in lieu of the sanctioned kilometers and seating capacity of the buses. Punjab Roadways is paying tax even if it does not ply buses for it does not care to get the permits cancelled. Due to this, the STPJB had to pay Rs.15 crore, which would have been done away with. The same is the case with the PRTC. It is to be taken note of that the Special Road Tax is incorporated in the passenger fares in our analysis.

A side point. The government, which takes special care to revise the special road tax (as a budget exercise), does not revise the bus fares. Hopefully rise in fare is requested by its own department running the undertaking as well as the PRTC. The passengers get message that fares have been raised as special road tax is incorporated in the fares. While the government gains and the undertakings lose in the game.

The rate of depreciation is also quite high in STPJB ranging between 16-20 per cent. This is much higher than in STHAR, where the rate of depreciation is around 7 percent. If it is put to good use, say for buying buses then it pays well.

Since the State Government does not provide any loan to STPJB, capital contribution of the forms the only basis of external capital of STPJB. The rate of interest in the capital contribution by the State Government comes to around 7.5 per cent.

B.19.3.4: Physical Performance of the STPJB

The fleet utilization in the STPJB has been quite prudent throughout the nineties, registering 95 per cent. However, recently it has dropped sharply to 75-80 percent. This implies that spare buses held by STPJB are increasing in number. This may be due to the fact that the increasing number of overaged buses leading to more breakdowns and therefore less effective use of bus fleet.

Bus utilization in the STPJB is improving in latter years and increased by about 40-45 percent between 1999-2000 and 2001-02 when average kilometers per bus per day stood at 325 kilometers, now very close to that achieved by STHAR. However, in 2002-03, it fell to 285 kilometres.

Occupancy ratio is very disappointing in the STPJB, which has fallen to 50 percent in 2000-01 only to rise by 5 percent points in the next two years. Though it was around 70 percent in the early nineties, from the late nineties, it started falling sharply. This is guessed mainly to do with the fare structure. The ASRTU had recommended an automatic fare revision formula for the State Transport Undertakings, to adjust the rising cost of operation. The periodic revision of fares thus seemed inevitable for making the undertakings viable entities. However, in most cases, fare revisions did not take place in a periodic manner. (Against the proposal of increasing the fare by 60 percent, the fare was increased by 44 percent. The revisions in fares were also made, it is alleged, without linking it with the increase in operational expenditure, thereby resulting in a potential loss of revenue of Rs.100 crore to STPJB.)

B.19.3.5: Fiscal Impact on the State Budget

The total receipts of the Stated Government of Punjab from STPJB amounts to Rs.40 crore to Rs.90 crore since 1991-92. This is primarily made up by the tax payments, especially Special Road Tax, except for two years, in 1991-92 and 1992-93 when the tax payments were quite low as compared to the other years.

Apart from that, if we take into account the burden of the undertaking on account of concessional travel announced by the Punjab Government, then the receipts in terms of benefit to the society are much larger, amounting to Rs.50 crore to Rs.120 crore. This is because in most of the times, the state does not compensate for the burden incurred by the STPJB.

On the other hand, the STPJB did not receive any subsidy from the Government of Punjab, except in 2001-02, an amount of Rs.14 crore. So, we find that the undertaking does not receive any major budgetary support from the Government of Punjab.

Now if we compare the flows between the Government of Punjab and the STPJB (the whole and a part), we will find that it is the State Government, which is the net receiver of funds, rather than the donor as it is supposed to be. The State does not provide any major budgetary support to STPJB. Therefore, it is wrong to denote STPJB as a non-viable transport undertaking. Though there is much scope for improvement in its level of operation, but regarding its viability, there is no doubt. The net flows to the state government are about Rs.125 crores. If these net flows are projected for the next five years, we find that it increases to Rs.200 crores.

B.19.3.6: Viability of the STPJB

There is problem of incongruity in approach in this case as we have not treated the SRT in last paragraphs as passenger tax. All magnitudes will change yet the conclusions perhaps will not. Question of viability will haunt us. An undertaking with 2000 buses and 11000 employees cannot be easily done away with. Even past combined performance of undertaking and government can be blamed for current fiasco, future strategy has to be evolved for serving the cause while causing no harm to the employees.

The State Government is the main contributor towards the loan capital of the corporation, accounting for about 90 percent of the total loans. The figures of loan for 3 years, 1991-92 to 1993-94, were not available. So, we put the calculated figures as the proportion i.e. 0.92 of the total loans. However, the share of contribution has fallen gradually over the period 1991-92 to 2001-02. It is imperative to note that the loans of the nationalized banks are repaid regularly but State Government Loans remain overdue for repayment/payment.

B.19.3.7: Suggestions

As far as the expenditure required to be undertaken by the state government is concerned, it can be said that since the Punjab Roadways (STPJB) is just another state department of the state. So these flows that take place is nothing but a matter of inter-departmental jurisdiction. Nonetheless, the STPJB is doing quite well and serving the people well. The fare should be revised regularly in sync with inflation. Fleet should be continuously renewed. Returns in terms of taxes are also returns on investment.

B.20
RAJASTHAN

B.20.1: The State

Rajasthan is situated in the western part of northern India with its distinct culture and identity. It is one of the major backward states in terms of many parameters of development. The present boundaries were drawn by the Reorganisation of States Act 1956 with minor adjustment in 1959 with Madhya Pradesh. According 2001 census, it has population close to 5.65 crore. But it is a vast expanse of 3.42 lakh sq km (more than 15 percent of the country) of which a large part is desert and thus about half the population density of the country. With a total road length of over 1.3 lakh km, it has road density of about 0.4 km per sq km.

B.20.2: Passenger Transport in Rajasthan

In Rajasthan there are reported in 2000 to be around 46700 buses in public passenger transport of which less than 10 percent numbering around 4300, are in the public sector. Today total buses may be around 50000. As on 31.3.2001 nationalised road length was 16740 kilometers, which is 19.14 percent of total motorable road length of 87462 kilometers. The data for 2002 tells that the RSRTC has a fleet of 4400 buses (4157 corporation's own bus and 242 private buses hire by RSRTC).

B.20.3: Rajasthan State Road Transport Corporation (RSRTC)

In Rajasthan, there is only one state-owned undertaking in public passenger transport and it is Rajasthan State Road Transport Corporation (RSRTC). It was set up on 1st October 1964, with only about 420 buses, under the provisions of Road Transport Act 1950. The latest information says it has a fleet of 4756 buses. The main objectives of RSRTC is (1) to provide efficient, adequate, economical, safe and well coordinated passenger transport service (2) through the development of transport facilities development of this virgin desert land for our national economy. It has touched its rock bottom in 1991 when there was a 72-day strike resorted by the workers.

It has 48 depots spread over the state. The corporation's buses daily cover over 1.4 million kilometer catering to nearly one million passengers through its network of over 13,000 services to all important places in Rajasthan and adjoining states of Gujarat, Haryana, Punjab, Delhi, Uttar Pradesh, Himachal Pradesh, Madhya Pradesh and Maharashtra. RSRTC operating it's buses on 2672 routes including 491 interstate routes. The RSRTC has one of the youngest fleet among the SRTCs with an average of just 4 years with 9 air conditioned, 75 super deluxe, 2000 express, 2475 ordinary and 200 city buses as on 31st March, 2003.

For expanding its resources to fulfill its commitments to the public of Rajasthan and for enhancement of operation, RSRTC has been hiring private buses on contact basis at km rate right from 1975 onwards. The share of private buses in the total operation of the corporation is around 7-10 percent. With a view to extending its services to the remotest location of the state, the RSRTC claims, it treats the private operators as business partners by offering better facilities for attracting more operators in the public utility service.

The RSRTC made profit for 20 years out of 40 years of its existence. But profits were substantial only in a few years to show up cumulative profits in three years before 1994-95. From 1991-92 for continuous six years it made profit but then it incurred so much losses that by 1998-99 it started accumulating losses. Which is now mounting.

B.20.4: Capital Structure of the RSRTC

According to the Road Transport Act 1950, the State Government and the Central Government may contribute capital in the form of equity on terms and conditions mutually agreed upon. It appears that in the late eighties the division of equity capital contribution between the State Government and the Central Government was in the ratio of 2.5:1. In 1993-94 both the State and Central Govt. grant capital loan of Rs.26.1 crore and Rs.2.05 crore respectively at an interest rate of 6.25 percent per annum, Which is constant till now.

Composition of external capital matters a great deal in reckoning of some financial analysts. There was a steady decline of the loan-capital to capital-contribution (including share capital) ratio from the late eighties till 1997, coming down from about 1 to 0.2. In this period major portion of loan was taken from the IDBI. From 1997-98 onwards loan capital started exceeding the contribution capital. In subsequent years loan capital was secured through either debentures or borrowings from commercial banks. The commercial banks from which the RSRTC took loan are Bank of Rajasthan, Oriental Bank of commerce, Central Bank of India, Vijaya Bank, Dena Bank, ICICI Bank and Punjab & Sind Bank.

Reserves have been building up steadily. The amount increases from Rs.63.82 crore in 1991-92 to Rs.225.48 crore in 2001-02. Next year there is marginal decline in reserves. Thanks to continuous profit earned from 1983-84 to 1988-89 and 1993-94 1997-98, it was possible for the RSRTC to run down its accumulated losses in the early nineties and start accumulating profits between 1994-95 and 1997-98. However that very year it started making losses and accumulating losses again. Today, the accumulated losses have crossed the limit of Rs.300 crore, much larger than the sum of all capital. There was a steady increase in the amount of capital invested till 1998-99. From 2000-01 onwards, it became negative, which means its accumulated losses exceeded the sum of external capital and internal capital. Almost similar is the case of capital employed. The difference is of degree and magnitude. It is declining after 1997-98. The same is the case with net worth.

B.20.5: Revenue Analysis of RSRTC

Revenue collection by the RSRTC is mainly traffic revenue. Non-traffic revenue is minimal. In 2002-03 the total revenue after adjusting for passenger tax of the corporation is about Rs.600 crore, of which traffic revenue is almost Rs.580 crore and non-traffic revenue is only Rs. 22.52 crore. There is a three-fold increase in revenue between 1991-92 and 2002-03. The contribution of contract carriage is almost nil while passenger insurance is yielding some money. Non-traffic revenue of the corporation till 1997-98 was under Rs.10 crore. It consists of interest earned on its deposits as also sale of scrap but also lease rent of stalls and collection of fines and penalties. Of late it has increased somewhat. But it is just pea-nuts. There should be a lot of scope for exploiting these avenues. See tables for traffic revenue and non-traffic revenue:

Rs. Crore	2001-02		2002-03	
	Amount	%	Amount	%
1.Traffic Revenue.	597.68	95.79	653.41	96.67
Revenue from passenger	576.78	92.44	626.46	92.68
Contract service	1.99	0.32	2.18	0.32
Concession tickets/ seasonal passes	8.45	1.35	13.01	1.92
Revenue from Passenger Insurance	7.13	1.14	8.10	1.20
Others	3.33	0.53	3.66	0.54

2.Non-traffic Revenue.	26.29	4.21	22.51	3.33
Interest	12.26	1.96	5.18	0.77
Sale of scrap	5.17	0.83	4.06	0.60
Fines and penalties	2.91	0.47	6.28	0.93
Canteen contact and Vender's license fees	2.13	0.34	2.71	0.40
Others	3.82	0.61	4.28	0.63
Total Revenue	623.97		675.93	

B.20.6: Cost Analysis of RSRTC

Cost is another component of an account, which consists of personnel cost, material cost, taxes and interest paid by the corporation. The largest component in a service organization is personnel cost. Bus transport does involve use of equipments, which do wear and tear and require repair and maintenance. Looking first at the personnel cost, it is observed that it constitutes almost 40 percent of the total cost. Since this is an organization in which passenger tax is around ninety percent of total tax paid, one should see it as the proportion of cost excluding passenger tax. From the table below it is clear that personnel cost is very high component.

Year	Total Cost (Rs. Crore)	Passenger Tax (Rs. Crore)	Net cost (Rs. Crore)	Personnel Cost (Rs. Crore)	Personnel cost as percentage to	
					Total Cost	Net Cost
1998-99	566.96	74.18	492.78	214.68	37.86	43.56
1999-00	602.49	69.89	532.60	239.78	39.80	45.02
2000-01	672.16	76.80	595.36	251.90	37.48	42.31
2001-02	687.07	73.64	613.43	254.02	36.97	41.41
2002-03	716.69	74.48	642.40	266.76	37.22	41.52

The RSRTC considers both buses and other assets for depreciation. Average rate of depreciation works out to be 12.95 percent. Depreciation on buses is the major share of depreciation funds.

Average rate of interest paid by the RSRTU has indeed been very low. It was only 2 percent of revenue earned or cost incurred. But interest rate on external capital works out to be 11 percent per annum. The RSRTC contributes a good deal of tax proceeds, which increased over the years from Rs.36 crore in 1991-92 to Rs.85 crore in 2002-03, an increase of 142 percent in ten years. But the total tax paid by the corporation includes a substantial proportion of passenger tax, which is included in both cost and revenue. Since it is an item owned by the state, it may not be taken as a genuine contribution of the corporation to the state. But its influence on revenue cannot be ignored. Among all the aspects of the taxes paid, passenger tax constitutes almost 80 percent. Non-passenger tax proceeds are not very high.

Cost recovery ratio position of RSRTC is better than its counterpart transport corporations in other states. In the early nineties about 80 to 90 percent cost was recovered from its own revenue collection. The ratio has fallen from the range of 0.80-0.90 in the early nineties to the range of 0.70-0.80 in the late nineties. The operating ratio has risen from about 65 percent to close to 85 percent during the same period.

B.20.7: Physical Structure of RSRTC

The average number of buses held by RSRTC in 2002-03 is 4698 and average buses on road are 4399 while about 6 percent of buses are off road. In 1998-99 the average number of buses held by RSRTC was highest in its history. After then it decreases continuously.

Employment strength and average emoluments are two equally important desiderata of cost. And they are both independent of each unlike the pair of occupancy and fare. Bus-staff ratio has been continuously coming down in this undertaking — from almost 8 to below 6. It is likely to go below still. The administration and checking staff can easily be pruned down. There is little feasibility in reducing emoluments. It will be a great success if any further rise is controlled.

Fuel consumption is improving and it is getting around five kilometers a litre. This is mainly due to the induction of new fuel-efficient vehicles but also due to better maintenance and upkeep, training of drivers etc. Fuel consumption is 4.94 KMPL in 2002-03.

Fare structure and occupancy ratio– these are the two aspects, which play crucial role in revenue collection. But occupancy may crucially depend on fare structure. This is one state where there was frequent revision of fare structure during the decade. From 1994 to 1998 there was upward revision of fare in all the types of services. There was downward revision for some types of services during 1999-2001. But by and large the fare structure remained more or less the same from 1998 onwards except for ordinary class. See Table below with fairs in paise.

Date	**Ordinary**	**Express**	**S/Fast**	**Deluxe**	**Deluxe A/C**	**Hike in %**	**Occupancy**
10.03.93	19.0	23.0	27.0	40.0			72.04
01.08.94	20.5	25.0	29.5	43.5	76.0	5-10	72.10
21.11.96	24.0	29.5	35.0	51.5	89.5	15-20	65.20
03.12.97	31.0	38.0	46.0	67.0	116.0	25-35	63.10*
24.05. 98	24.0						65.07
14.11.99	20.0	34.0	46.0	67.0	120.0	(-)35	62.40
01.10.00	32.0	38.0	46.0	67.0	120.0	10-60	62.10
12.06.02	33.0	40.0	46.0	67.0	120.0	3-5	63.80

*The year before it was 74.00 percent.

Occupancy ratio continues to be declining and is quite low. The highest it touched was 79 percent. It is reaching nadir of 62 percent. In 2002-03 it increases slightly to 63.8. While high increase in fare might have helped the occupancy decline, reduction in fares did not help it restore. It takes time as people get adjusted otherwise. The RSRTC has monopoly on less than 20 percent routes; elsewhere it has to compete. There lies scope for cutting corners but only with skill. Continuous decline of occupancy ratio is a matter of serious concern. Here is the scope for turning around.

The fleet utilization has been good and improving except for the years 1997-1999 but there is still scope to improve. Number of buses on road shows a gradual increase till 1997-98 but not thereafter.

B.20.8: Fiscal Impact on the State Budget

Annual flows from state to the corporation consist of addition to capital contribution/loan capital, capital grants, revenue grants (subsidy) and compensation for loss of revenue to the corporation due to its social policy of concessions. Total receipt by the RSRTC from the state is negligible. During 1993-94 the corporation got Rs 26.1crore. After then the RSRTC never got any amount for state government in the form of capital contribution or in the form of subsidy or grants.

Annual flows from RSRTC to the state are interest paid and taxes paid and burden that it bears for concession policy of the state. Even if one does not count passenger tax, one would

find the net flow is from the corporation to the state. The State is net receiver. If burden imposed on the corporation in behalf of concessional travel allowed to certain sections (more than non-traffic revenue in size) is also considered, then net flow from the corporation to the state reaches in the vicinity of Rs.45 crore.

Net flow, which is the difference between receipts by the RSRTC from the state and the payment made to the state, is negative in recent years. Which shows that the corporation did not get anything form the state. So the corporation is not a burden on state government.

Position of the RSRTC is good in comparison to other neighboring states. After studying the position of both physical and financial data of the corporation, we have projected the budgetary implication or net flow of the RSRTC given below. Here it shows that the net flow from the state is negative, which means that the corporation is paying more than what it is getting from the state in the form of capital contribution and subsidy and it is shown from the data that the corporation is getting nothing. Its contribution to the state exchequer, excluding passenger tax, would increase from Rs.60 crore in 2004-05 to Rs.90 crore in 2009-10.

	(Rs. crore)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	0.00	0.00	0.00	0.00	0.00	0.00
4	Interest received by the State (Int.)	1.63	1.63	1.63	1.63	1.63	1.63
5	Non Passenger Taxes received by the State (NPT)	11.68	12.77	13.87	14.97	16.07	17.17
6	Total Receipts by the State from the STRU (R_{state})(4+5)	13.31	14.40	15.50	16.60	17.70	18.80
7	Burden on the SRTU due to Concessions (B)	49.13	53.62	58.10	62.58	67.07	71.55
8	Effective Receipts by the State (ER_{state})(6+7)	62.44	68.02	73.60	79.18	84.77	90.35
9	Net Flow from the State (NF_{state}) (3-8)	-62.44	-68.02	-73.60	-79.18	-84.77	-90.35

B.20.9: Viability of the RSRTC

The RSRTC is a loss-making corporation, but the amount of net margin is very low around Rs.40 crore. Two years before it was around Rs.80 crore. So the RSRTC improved its financial position. Here are some points regarding the causes of losses by the corporation.

According to Mr. Kaurani, former Chairman-cum-Managing Director of RSRTC, the chief reason for losses incurred by the corporation is clandestine operations of private bus owners on nationalized routes of the RSRTC. Interestingly, till now no firm steps have been initiated at the government level to curb such activities. May one ask: Were they not doing so earlier? Unauthorized operations by private buses resulted, it is pointed out by the audit authorities, in decrease in fleet utilization by 1 percent (point) during 1997-98 and 1998-99 causing loss to the tune of Rs.5.17 crore and low utilization per day of vehicles during 1998-99 resulted in loss of Rs.2.81 crore. How could that be possible?

There is no doubt that the clandestine operations are a big threat to revenue earnings of the SRTC as private buses may charge a trifle less compared to their state owned counterparts. These clandestinely operating private buses do not pay the road tax and other taxes to the government and most often these operations take place during the night. It is also alleged that these revenue leakages estimated to be about Rs.50 crore a year. The strong army of 7000 bus-conductors of the RSRTC was reportedly involved in these leakages. To stop these illegal operations, buses found operating on the nationalized routes are now being seized. More than 70 such buses have been nationalized till now.

As incentive scheme has been initiated by the RSRTC under which if there is more than 50 percent improvement in earnings, the additional amount will be shared with the employees to the extent of 40 percent. If there is no improvement, the corporation will retire the staff compulsorily.

Per percent occupancy revenue earned is Rs.10 crore. If the present occupancy ratio of buses rises by 10 percent points to 70 percent, the break-even point can be achieved with ease. And it is argued that there is no reason why occupancy ratio will not rise if clandestine operations are stopped. But can it not be otherwise? Should it not otherwise rise? In order to increase occupancy the RSRTC is improving the passenger amenities. Which include seven days advance computerized reservation of tickets facility is available free of charge, holder of return ticket is allowed 10 percent concession in fare, online booking facility at free of cost, insurance scheme for passengers, air conditioned waiting room facility. Which means serving high-end customers. The survival ethics does dictate it.

B.20.10: Suggestions

The RSRTC contributes a largest proportion of its revenue as taxes and the amount increases over the years from Rs.36 crore in 1991-92 to Rs.85 crore in 2002-03, an increase of 142 percent in ten years. But this includes proceeds of passenger tax. In our exercise we have excluded this tax from both revenue and tax. Then, we discover that profit before interest and tax remained positive throughout the decade, which states that losses incurred by this corporation are less than taxes paid. The corporation is well off then its counterpart corporations. Even though the RSRTC is currently making losses the gap between revenue collection and expenditure is low. The net margin is less than the tax revenue paid. So there is every chance for survival.

It has been found that at one point of time in morning in Ajmer bus station there were 26 buses queuing for journey towards Jaipur! This was the result of a message of inter-depot competition. This is a case of sheer miscommunication. This is one way one can get occupancy reduced, even without competition from the private sector. Better scheduling can improve things. The RSRTC has to try for its own benefit and it can!

B.21
SIKKIM

B.21.1: The State

Sikkim is the smallest states of India with an area of 7096 sq. km., having only 5.4 lakh of population. Nepal, China and Bhutan make the internal borders while West Bengal makes the state border with Sikkim. The road density is very low (0.26 kilometers per sq km) due to its peculiar topographical conditions. Road transportation is the most important modern means of communication available to the people. Total road length available in the state is less than 2000 km (1834 km).

B.21.2: Passenger Transport in Sikkim

Total number of passenger buses operating in the state is around 280, which is lowest amongst all states. As reported in 2002, passenger buses with private operators and the number of passenger buses in public sector are shared almost equally, a complete turnaround from the situation a few years ago. Maybe, the private operators are not finding it conducive to operate buses and they are rather going in for jeeps and Tata sumos. The number of passenger buses in public sector, which was only 137 in 2000, has reduced to 105 by 2002, of which only 78 were on road. Nationalised transport in Sikkim is the departmentally managed affair.

Thus buses with private operators were 3.5 times those in public sector in 2000 and this ratio became 4.5 in 2002 and may be much more by now if the trend continues to follow. In terms of operation, only 13 percent buses are in the public sector.

B.21.3: Capital Structure of SKNT

The data on capital structure of the company is too scant. Only capital contribution for the year 1991-92 and 1992-93 is available, and the amount is Rs.22.86 crore and Rs.19.79 crore respectively. The State Government only has contributed the whole amount of capital, in the true spirit of a government department but one fails to appreciate reduction in contribution. Reserves were Rs.3.21 crore in 1991-92 and Rs.5.86 crore in 1992-93.

B.21.4: Revenue Analysis of SKNT

Total revenue collected by the SKNT is very low. In 1991-92 it was only Rs.5.61 crore. It increased continuously and revenue collected increased up to Rs.15.41 crore in 2001-02. Years of 1995-96 and 1998-99 were exceptions when there was huge decline in revenue collection. There is no explanation available for sudden decline of revenue collection.

Total revenue consists of traffic and non-traffic revenue. Traffic revenue of the undertaking increased from Rs.5.42 crore to Rs.10.31 crore. Non-traffic revenue was very low in early years of the nineties. But after then the non-traffic revenue has been a sizable amount, the percentage share of non-traffic revenue varying between 30 and 40 percent of the total.

B.21.5: Cost Analysis of SKNT

Total cost incurred by the SKNT is much higher than revenue collected. Total cost increased from Rs.6.56 crore to Rs.21.96 crore between 1991-92 and 2001-02. Operating ratio is around 1.3 while cost recovery ratio is only 70 percent.

The data on cost composition is suspect. Material cost rises more than three times from Rs.2.75 crore in 1992-93 to Rs.8.95 crore in 1993-94 without increase in road kilometers operated. Personnel cost increases by 100 percent in a year from Rs.3.98 crore in 1997-98 to Rs.7.97 crore in 1998-99. As a result personnel cost, less than 20 percent in 1994-95, became almost 50 percent in 1998-99. We are using therefore the data for 1991-92/1992-93 and 2001-02, which we find somewhat plausible.

Almost 40 percent of total cost is personnel cost. Necessary measures need to be taken. The number of employment in the undertaking was 1062 in 1991-92, which increased to 1239 in 1998-99. With 3/5 buses, why were more about 100 persons were added in 1998-99? Of late, certain measures seem to have been undertaken to reduce the number of employment declined to 935. The bus staff ratio increased from 9.93 in 1991-92 to 10.87 in 1998-99 but declined to 9.23 in 2001-02.

The SKNT is liable to pay interest on capital contribution provided by the state at the rate of 6 percent per annum. The data on actual interest received by the State Government shows that SKNT paid Rs.10 lakh to Rs.20 lakh as interest payment, which is much less than the interest receivable.

Tax paid by the SKNT to State Government varied between Rs.10 lakh to Rs.40 lakh. Tax as a percentage of traffic revenue thus varied between 1 percent and 4 percent.

An analysis of the cost recovery ratio shows that about 60-70 percent of the cost incurred by the SKNT is recovered by the revenue collection. In 1991-92 the ratio was nearly 80 percent and in 1998-99 just 40 percent. However, as pointed out earlier that cost data is suspect: total cost increased from Rs.7.12 crore to Rs.13.71 crore in 1993-94 in one year.

The SKNT as a loss making departmentally managed undertaking. The accumulated profit/losses figures are not known, but the net profit of the undertaking has always been a negative figure and pretty high. Net profit is negative since 1991-92. Profit before interest and taxes figures are also negative. It means there is loss every year even if the tax and interest are not paid. It varies between (-) Rs.0.75 crore to (-) Rs.9.61 crore.

B.21.6: Physical Performance of the SKNT

The occupancy ratio was never high. It was around 50 percent but in the late nineties it veered around 30 percent. It increased to 43 in 2001-02. Reduction in occupancy in the late nineties could be attributed to hike in fares in 1998-99. Fare per kilometer was doubled: for journey in an ordinary bus, from 34 paisa to 64 paisa. But because of inelasticity the revenue did improve. But it helps more the private operators.

The average number of buses on road declined from 107 to 78 between 1991-92 and 2001-02. Fleet utilization also declined. The occupancy ratio is less than 50 percent. The fair structure is on very higher side as compared to other neighbouring states.

B.21.7: Fiscal Impact on the State Budget

Outflow from the SKNT to the State Government in the form of taxes, interest and burden on the SKNT due to concession is never more than half a crore. But the flow from state to the SKNT is not known, possibly because it is a departmental concern.

B.21.8: Viability of the SKNT

There is pretty little to be done for such organizations, which serve no public purpose and are a burden on the public, paying high fare indirectly through subsidies from the public exchequer. They should be closed.

B.22

TAMIL NADU

B.22.1: The State

Tamil Nadu, one of the two most southern states, lies on coast of Bay of Bengal. On the west it has Kerala and on the north, Karnataka and Andhra Pradesh. Large parts of all border states were once upon a time part of this state. The Madras Presidency changed to Madras Province and then state of Madras. With territorial changes in 1953, 1956 and 1959, the state of Madras was renamed as Tamil Nadu in 1968.

Today it covers an area of 1.3 lakh sq. km and a population of more than 6.2 crore and therefore population density is somewhat less than 500. The road length in the state is about 2.06 lakh km and hence the road density is about 1.6 km per sq km.

B.22.2: Passenger Transport in Tamil Nadu

Tamil Nadu is very well connected by all modern means of transportation: road, rail, air and water. However, as in many states so in Tamil Nadu, road transport by far carries most of the freight and passenger, even if for onward transshipment by other modes. The nationalization of motor transport service was launched in the city of Madras (now Chennai) in October 1947. During 1956 after the state's reorganization, services already nationalized in the Kanyakumari district came under the purview of the State Transport Department. The first long distance express service was started in august 1959 with the enunciation of the policy that the department should exclusively operate all the routes exceeding 120 miles. A major step was taken in 1973 and the Government passed the Tamil Nadu Stage Carriages and Contract Carriages (Acquisition) Act, which provided for total nationalization of passenger transport district by district in a phased manner.

In Tamil Nadu, the road transport sector favoured company form for its STUs. It incorporated 21/22 Government companies, with different nomenclature. A little before there existed 18 companies because of mergers of some companies in others. However, of late, the Government has decided to further amalgamate the STUs into 7 Government companies to improve operational efficiency by reduction of overhead costs, effective utilization of the infrastructure facilities and avoiding unhealthy competition among the STUs.

In the first phase, State Express Transport Corporation (Tamil Nadu Division I) Limited and State Express Transport Corporation (Tamil Nadu Division II) Limited have been merged into one company, State Express Transport Corporation with headquarters in Chennai. Likewise Metropolitan Transport Corporation (Chennai Division I) Limited and Metropolitan Transport Corporation (Chennai Division II) Limited have been merged into one company, Metropolitan Transport Corporation (Chennai Division) Limited.

The divisions III and I of Tamil Nadu State Transport Corporation (Coimbatore Division) Limited are merged into one company, Tamil Nadu State Transport Corporation (Coimbatore Division). For the amalgamation of the remaining STUs into 5 Government companies, the final orders from the Company Law Board, Government of India, are awaited.

In March 2003 the total number of passenger buses in Tamil Nadu is reported to be 38444, of which 16733 buses (43.5 percent) are in the public sector made up of the public transport companies and 21711 buses (56.5 percent) with the private operators. The distribution of buses among the 18 transport companies, for which we have information, is shown as:

Transport Company	Number of buses	Transport Company	Number of buses	Transport Company	Number of buses	Transport Company	Number of buses
CN	2834	KUM-I	925	MDU-I	935	VPM-I	1052
CBE-I	1533	KUM-II	949	MDU-II	838	VPM-II	836
CBE-II	919	KUM-III	581	MDU-III	677	VPM-III	753
SLM-I	911	KUM-IV	352	MDU-IV	713	TN	891
SLM-II	675			MDU-V	359		
Total				**16733**			

The Government companies, which are in the public passenger transport sector, are mentioned below, along with their former names and the date of incorporation.

Transport Companies (Abbreviation)	**Previous Name**	**Date of incorporation**
(i) Metropolitan Transport Corporation (Chennai Division I) Limited. (CN-I)	Pallavan Transport Corporation Limited	10 December 1971
(ii) Metropolitan Transport Corporation (Chennai Division II) Limited. (CN-II)	Dr. Ambedkar Transport corporation Limited	18 October 1993
(iii) Tamil Nadu State Transport Corporation (Coimbatore Division I) Limited. (CBE-I)	Cheran Transport Corporation Limited	17 February 1972
(iv) Tamil Nadu State Transport Corporation (Coimbatore Division II) Limited. (CBE-II)	Jeeva Transport Corporation Limited	28 December 1982
(v) Tamil Nadu State Transport Corporation (Coimbatore Division III) Limited. (CBE-III)	Mahakavi Bharathiyar Transport Corporation Limited	29 December 1993
(vi) Tamil Nadu State Transport Corporation (Kumbakonam Division I) Limited. (KUM-I)	Cholan Roadways Corporation Limited	17 February 1972
(vii) Tamil Nadu State Transport Corporation (Kumbakonam Division II) Limited. (KUM-II)	Dheeran Chinnamalai Transport Corporation Limited	1 January 1985
(viii) Tamil Nadu State Transport Corporation (Kumbakonam Division III) Limited. (KUM-III)	Marudhu Sandiyar Transport Corporation Limited	1 September 1982
(ix) Tamil Nadu State Transport Corporation (Kumbakonam Division IV) limited. (KUM-IV)	Veeran Alagumuthukone Transport Corporation Limited	8 March 1996
(x) Tamil Nadu State Transport Corporation (Madurai Division I) Limited. (MDU-I)	Pandiyan Roadways Corporation Limited	10 December 1971
(xi) Tamil Nadu State Transport Corporation (Madurai Division II) Limited. (MDU-II)	Kattabonnan Transport Corporation Limited	12 December 1973
(xii) Tamil Nadu State Transport Corporation (Madurai Division III) Limited. (MDU-III)	Nesamony Transport Corporation Limited	16 February 1983
(xiii) Tamil Nadu State Transport Corporation (Madurai Division IV) Limited. (MDU-IV)	Rani Mangammal Transport Corporation Limited	19 March 1986
(xiv) Tamil Nadu State Transport Corporation (Madurai Division V) Limited. (MDU-V)	Veeran Sundaralingam Transport Corporation Limited	8 March 1996
(xv) Tamil Nadu State Transport Corporation (Salem Division I) Limited. (SLM-I)	Anna Transport Corporation Limited	23 January 1973
(xvi) Tamil Nadu State Transport Corporation (Salem Division II) Limited. (SLM-II)	Annai Sathya Transport Corporation Limited	26 March 1987
(xvii) Tamil Nadu State Transport Corporation (Villupuram Division I) Limited. (VPM-I)	Thanthai Periyar Transport Corporation Limited	9 January 1975
(xviii) Tamil Nadu State Transport Corporation (Villupuran Division II) Limited. (VPM-II)	Pattukottai Azhagiri Transport Corporation Limited	11 November 1982
(xix) Tamil Nadu State Transport Corporation (Villupuram Division III) Limited. (VPM-III)	Puratchi Thalaivar M.G.R. Transport Corporation Limited	24 February 1992
(xx) State Express transport Corporation (Tamil Nadu Division I) Limited. (TN-I)	Thiruvalluvar Transport Corporation Limited	14 January 1980
(xxi) State Express Transport Corporation (Tamil Nadu Division II) Limited. (TN-II)	Rajiv Gandhi Transport Corporation Limited	1 October 1993

The names of these transport companies were modified as per the Government directive in July 1997. These transport companies operate in different regions of the state of Tamil Nadu. Most of them operate their fleet in the rural and inter-city services. Only a few operate in the hilly region and urban centers. Tamil Nadu State Transport Corporation (Coimbatore Division III) Limited is the only company which operates exclusively in the hilly regions. Apart from that, Metropolitan Transport Corporation (Chennai Division I) Limited and Metropolitan Transport Corporation (Chennai Division II) Limited run their bus services only in the urban areas.

Besides, all companies put together run medical college and engineering colleges for the benefit of the children of the employees of these corporations.

Instead of looking at each of the transport companies separately, our presentation has put them together in an aggregated form. For the variables, which are presentable in absolute numbers like capital contribution, outstanding loans, fleet strength etc we have just aggregated them for all the companies. However, for the variables, which are in the form of ratios, like occupancy ratio, bus-staff ratio, we have just presented them by range.

There is however one exception to the above, which is in the case of fleet utilization. Though fleet utilization is a ratio, yet we have not shown it as a range as we have done for occupancy ratio and bus-staff ratio. Because we have got the aggregate buses held by all the transport companies as well as the number of buses on road. The ratio of the latter to the former gives us the fleet utilization for all the companies in each of the years.

B.22.3: Capital Structure of the State Transport Corporations in Tamil Nadu

To start with, the State Government exclusively provides the capital contribution to the transport companies in Tamil Nadu. Central Government does not contribute any capital. The capital contribution by the Government of Tamil Nadu to all the transport companies has shown a rapid growth in the late nineties, registering a growth of 140 percent. From Rs.350 crore, in 1997-98, the capital contribution increased to Rs.850 crore in 2002-03.

The transport companies in Tamil Nadu obtained loans mainly from the commercial banks and the Life Insurance Corporation (LIC) of India. In fact, the commercial banks contributed about 20-30 per cent of the total loans. Loans were also provided by the IDBI. The total outstanding loans did not register much growth, partly due to the fact that some part of earlier loans was repaid. At present (2002-03), the total outstanding loans against these transport companies is about Rs.920 crores.

According to a CAG Report, in 1997-98 the Government of Tamil Nadu converted some of the loans outstanding with these companies into equity (capital contribution). Due to this conversion of loans into equity, we find that the total capital contribution by the State increased considerably which was almost on par with the outstanding loans in the recent years.

The Tamil Nadu Transport Development Finance Corporation Limited (TN-TDFC) was established in 1975 in order to cater to the financial requirements of the transport companies mainly for the purchase of new buses, working capital etc., by mobilizing public deposits. The companies obtained loans from the TDFC at a very low rate of interest. Authorized share capital of the TDFC is Rs.70 crore. The paid up share capital is Rs.61.73 crore, out of which the Government has contributed Rs.43.03 crore and the STUs have provided the remaining Rs.18.70 crore. Financial assistance extended by the TDFC since its inception up to the end of 2002-03 is almost Rs.5000 crore.

The total external capital is made up of the capital contribution by the State and the outstanding loans. In the late nineties, the ratio of the outstanding loans and capital contribution was 2:1. However, in the late nineties, when the Government of Tamil Nadu allowed the conversion of loans into equity, the external capital was made up by capital contribution and outstanding loans in equal proportion in the total of around Rs.1750 crore. This is followed at present also.

Regarding the internal capital, we find that reserves did not form a big part in the capital base of the transport companies in Tamil Nadu. The aggregate reserves of all the 18 transport companies was only about Rs.25 crore to Rs.30 crore, which is very low as compared to some other transport undertakings and also compared to other parameters.

The transport companies in Tamil Nadu are all loss making undertakings. As such the accumulated losses accrued amounted to a huge sum. The accumulated loses of all the companies were as much as Rs.1060 crore in 1997-98 and Rs.2130 crore in 2001-02. Since the losses during 2002-03 were not much, therefore the accumulated losses at the end of the fiscal year, 2002-03 was Rs.2134 crores.

The internal capital, which is the sum of the reserves and accumulated profits/losses, is thus a negative sum for all the years. Therefore, we find that external capital is the main source of capital for the transport companies in Tamil Nadu. Not only that, the internal capital base of these companies is so weak that in the late nineties, we find that capital invested (which is the sum of external capital and internal capital) by these companies is also negative. The huge amount of accumulated losses crowds out the external capital provided by the State and the commercial banks.

The net fixed assets of these transport companies are mainly made up of the passenger buses owned by them. In fact, the net value of buses comprises 75-80 percent of the net fixed assets of these companies. Apart from that, the fixed assets also include land, buildings, plant & machinery, furniture and other office equipments as well as other vehicles used by the staff. The value of the net fixed assets of these transport companies was about Rs.500 crores in 1997-98, though it has been falling over the years. It dropped below Rs.300 crores in the recent past, registering a value of Rs.280 crores and Rs.270 crores in 2001-02 and 2002-03 respectively.

The current assets of these transport companies are made up of stores inventory, sundry debtors, advances and deposits and cash in hand. The value of the current assets of all these companies put together varied between Rs.200 crore and Rs.350 crore. In 2002-03, it increased to over Rs.380 cores. The current liabilities on the other hand, have risen very rapidly in the late nineties and in the recent past. The current liabilities of the transport companies grew from Rs.600 crore in 1997-98 to over Rs.1000 crore in 2002-03, by 67 percent in five years.

Obviously, the net current assets, defined as the difference between the current assets and the current liabilities, has been negative for all the years. Therefore, the capital employed (net fixed assets + net current assets) by the transport companies in Tamil Nadu has been negative, and falling over the years.

Hence, the stock net worth of these companies (the difference between the net value of fixed assets and the outstanding loans) has been negative for all the years, and falling continuously from (-) Rs.250 crores in 1997-98 to (-) Rs.650 crores in 2002-03. The total net worth is twice as much because current liabilities, nearly Rs.1000 crore, are three times the

current assets. Thus, all stock variables are negative, making it futile to calculate any rate of return.

B.22.4: Revenue Analysis of the State Transport Corporations in Tamil Nadu

Turning towards the financial performance of these companies, we see that cost recovery ratio has improved considerably in last few years: from 81 percent in 1998-99 to 92 percent in 2001-02, improving every year by about 4 percentage points. This is a good omen.

B.22.5: Cost Analysis of the State Transport Corporations in Tamil Nadu

The personnel cost in these companies accounts for 40-45 percent of the total cost. Though, this is a kind of norm across most of the transport undertakings in India, efforts must be made to bring it down. One of the ways to do so is to bring down the bus-staff ratio if it is high. The bus staff ratio across these transport companies ranges between 7 and 10, which is high as compared to the levels of the other Southern States such as Karnataka. So, one of the major policy planks to be employed by these companies must be to bring down the bus-staff ratio. However, efforts are being made to cut down employment.

Another area where there is scope for improvement is the fuel cost. Fuel cost accounts for 60-70 percent of the total material cost. The fuel consumption of the buses of these companies, on an average is 4.2 kilometers per litre, which is high as compared to the other transport undertakings. The APSRTC has already attained fuel efficiency of 5 km per litre. Efforts must be made by these companies to improve the fuel efficiency.

One of the ways to do so is to do away with overaged buses, which not only consume more fuel, but has also proved to have frequent breakdowns, leading to under utilization of the bus fleet. The average age of the fleet is not very high but many of the companies have a very high proportion of over-aged buses. The periodic maintenance must be done so as to replace worn out spare parts, which will lead to more efficient running of the bus fleet.

The rate of depreciation is quite high in Tamil Nadu. Fixed assets of the transport companies in Tamil Nadu are depreciated at the rated of 25-30 percent. Depreciation is mainly appropriated for purchase of buses by the companies but this does not seem to be the case.

In Tamil Nadu, there is no major provision of passenger tax. The main form of tax paid by the transport companies is the Motor Vehicle Tax, which accounts for almost 95 percent of the total tax paid to the Government, which itself is about 5-6 percent of the revenue earned by the companies.

B.22.6: Physical Performance of the State Transport Corporations in Tamil Nadu

Physical performance of these transport companies in some respects is respectful. Fleet utilization is quite robust, around 92 percent, which has remained the same throughout the nineties.

The effective kilometers operated by the buses owned by the companies increased from about 170 crore km in 1991-92 to 230 crore km in 2002-03, which is on par with the STUs in the other Southern States. But the important part is that the bus utilization measured by km./buses on road/day of these companies is quite impressive as compared to the other STUs. They are the best among in the Southern States, which normally do better than other states. The bus utilization of the transport companies in Tamil Nadu is now around 408 km./bus/day (though it did attain the level of 420 km./bus/day in the nineties only), whereas it is 280-300

km./bus/day in Karnataka, 300-320 km./bus/day in Andhra Pradesh and 310-325 km./bus/day in Kerala.

However, the occupancy ratio shows a mixed picture. In some companies, it is quite good, touching almost 93-97 percent, while in others it is as low as 65 percent. So there is urgent need for some structural adjustment in some of the companies, so that the already good performance on some of the physical parameters can be translated to an overall better performance. If the occupancy ratio is low due to inter-company competition, the merger recently undertaken may improve the scene.

As the cost recovery ratio is improving, one can be hopeful of a turn-around by improvement in occupancy or in fare. But fare has to be so calibrated that there is no dent in occupancy ratio. As these companies put together operate almost 50 percent of public stage carriage, there is little chance that they will lose passengers. This is evident in the table below, where substantial increase in fares did not affect occupancy to a considerable extent.

Date	Ordinary	Express	Semi-Deluxe	Deluxe	Hike in fares (%)	Occupancy ratio
	14	14.5		17		82-141
09.09.97	20	23		28	43-65	67-131
01.04.98	18	23		28	(-) 10-0	78-134
25.10.99	22		25	30	7-22	72-87
06.12.01	28	32	32	38	26-28	71-85

B.22.7: Fiscal Impact on the State Budget

The State Government of Tamil Nadu provides loans out of the state budget each year. The companies utilise the loans for purchasing new buses. Only some of the transport companies, namely, VPM-I, VPM-II, VPM-III, KUM-II, KUM-III, MDU-III, CN-I, TN-I and TN-II have been able to obtain the loans from the State Government, the others resorted to the TDFC. The amount of State Government loans varies from Rs.20 crore to Rs.40 crore over the years for all the companies mentioned above. The stipulated rate of interest on the Government loan varies from 12 percent to 17 percent.

Some companies receive only capital contribution and subsidies from the State Government while the others receive loans as well (mainly for purchasing new buses). The annual increase in the state investment on all these transport companies has been about Rs.100-200 crore, in the late nineties. However, in the recent past there has been no major increase in the state investment—neither in capital contribution nor loans. During 2002-03, an additional capital contribution of Rs.4 crores was provided to these companies.

The State Government gave some subsidies. These amounted to between Rs.50 crore and Rs.170 crore for all the companies taken together in past few years. In the last two years, 2001-02 and 2002-03, subsidies provided by the State Government were less than Rs.100 crores. The total receipts by the STUs – increase in state investment and subsidies received from the State Government – varied between Rs.150 crore and Rs.300 crore. However, in the recent past the total receipts were less than Rs.90 crore.

The receipts of the State Government on the other hand, consisted of the tax payment and the interest on the capital contribution and loans provided by the State Government. Taxes received by the State Government were almost fixed at Rs.140-150 crore, which mainly consisted of the motor vehicle tax. The interest receipts of the State Government were quite low, varying between Rs.5 crore and Rs.20 crore. This may be because the transport companies do not pay the interest to the State Government on a regular basis. Hence, the total receipts of the State Government amounts to Rs.145-160 crore.

If we look at the net flows from the State exchequer to the transport companies, we find that the State Government is the net donor in most of the years, though there are years when the State Government has been the net receiver. Nevertheless, it is quite obvious that these transport companies are heavily depending on the budgetary support of the state.

However, we have noted that, the State Government does not provide compensation to the transport companies on account of the travel concessions announced by the former. Though there has been partial fulfillment of the burden of the companies, in the form of subsidies by the State Government, but there has been shortfall in all the years, by an amount of Rs.50-150 crore. Had the State Government provided full compensation to the transport companies, the potential support would come to only about Rs.100-250 crore.

	Tamil Nadu	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	127.89	134.83	141.78	148.73	155.67	162.62
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	127.89	134.83	141.78	148.73	155.67	162.62
4	Interest received by the State (Int.)	7.90	7.22	6.55	5.87	5.19	4.52
5	Non Passenger Taxes received by the State (NPT)	152.64	155.02	157.41	159.79	162.17	164.56
6	Total Receipts by the State from the STRU (R_{state})(4+5)	160.54	162.25	163.95	165.66	167.37	169.07
7	Burden on the SRTU due to Concessions (B)	427.19	477.84	528.49	579.13	629.78	680.43
8	Effective Receipts by the State (ER_{state})(6+7)	587.73	640.08	692.44	744.79	797.15	849.5
9	Net Flow from the State (NF_{state}) (3-8)	-459.84	-505.25	-550.66	-596.07	-641.48	-686.89

Our projections tell us that the Government that the state's net benefits will increase from Rs.460 crore in 2004-05 to Rs.700 crore in 2009-10, where a large part of benefits are in terms of concessional travel enjoyed by certain sections of the society..

B.22.8: Viability of the State Transport Corporations in Tamil Nadu

The commercial viability of these transport companies (along with physical viability which they have) is of great importance, which they can attain with ease, because they play and can play as great interventionists in the public passenger transport.

B.22.9: Suggestions

These STUs were incurring losses mainly due to the low fare structure and high costs of operations, which were not adequately compensated by the fares. So accordingly when the government revised the fares from 06.12.2001, the losses, which were Rs.228.86 crore before the fare revision, came down to only Rs.98.86 crore. In fact the losses for the year 2002-03 were less than Rs.1 crore. Therefore it is very important the government revise the fares on a regular basis.

To improve the operational efficiency (reducing the costs of operations) it was considered imperative for the Government to amalgamate the existing STUs into just 7 Government companies as would be decided by the Company Law Board, Government of India. Not only that it would also reduce the unhealthy competition, which exists between the STUs in Tamil Nadu.

Another perennial problem of these STUs is the holding of a large number of overaged buses, which results in high costs of operation as they consume more fuel (HSD), require more repair and maintenance and spare parts, etc. Age-profile of the buses needs to be attended urgently.

B.23
TRIPURA

B.23.1: The State

Tripura is one of the North-Eastern States surrounded by Bangladesh except its eastern border having Assam and Mizoràm as the neighbours. It became a full state in 1971 with the North-Eastern Areas (Reorganisation) Act.

Covering an area of 10491 sq. kms, having a population of 32 lakh, it has around 15000 kms of road length and hence road density of 1.5 kilometers per square kilometer. Road transport is the principal means of public transport in the state as the North East Frontier Railways covers hardly 50 kilometers in the State. There is an airport at Agartala with regular flights connecting Kolkata.

B.23.2: Public Transport in Tripura

Total number of public buses operating in the state is 1714 in March 2000—too few compared to less populous Nagaland and Manipur. Out of this, the number of buses in the public sector is only 98. But not even 50 percent of these are operating on roads. In 2001-02, there were 84 buses in fleet with 47 on road. Buses with private operators are about 16 times higher than the public buses. Only 2.5 percent operating buses are in the public sector.

B.23.3: Tripura Road Transport Corporation (TRPTC)

Tripura Road Transport Corporation (TRPTC) is the only public sector undertaking in public passenger transport, which is a statutory corporation. With a view to providing a coordinated system of economical and efficient road transport service, the corporation was established on 23rd October 1969 under the Road Transport Corporation Act, 1950. It started functioning from 14th July 1970.

B.23.4: Capital Structure of the TRPTC

The state seems to have been rather generous in contributing to capital base, which has risen from less than Rs.23 crore in 1991-92 to Rs.84 crore in 2001-02 with annual contribution of increasing amount while contribution of the center stayed put at Rs.3.64 crore. There are two inferences to be drawn. One, the proportion in which the two governments contributed changed from around 5:1 ratio in 1991-92 to 22:1 in 2001-02. But the other that is more important is that the amount of accumulated losses is greater than that of the owners' capital.

The total outstanding loan against the TRPTC from different sources was Rs.2.91 crore in 1991-92. In the subsequent years the loan outstanding went on reducing and was nil in 2000-01. However, it had loan of Rs.3.24 crore in 2001-02, says the Table on 'Capital Structure and Liabilities' compiled by the CIRT. But the same document's Table on 'Sources of Finances obtained for Buses Purchased during 2001-02' says that the TRPTC got loan of Rs.77.91 crore from State Government and Central Government! And bus fleet rose by 7 and number of buses on road by 9! In fact, only 2 Leyland and 4 Tata buses were purchased while no bus was scrapped during the year.

The TRPTC has been approaching the state government and sometimes the central government for its additional capital requirement in terms of loan. Information on period and interest rate is absent.

External capital is the sum of total capital contribution and total loan outstanding. Due to generous contribution by the state government, this sum went on increasing.

On an average the reserves of the TRPTC went on accumulating from about Rs.5 crore in 1991-92 to over Rs.11 crore in 1997-98 but dropped next year to Rs.6 crore by decumulation of general reserves or use of specific reserves. It started building up since then and is around Rs.8 crore.

The TRPTC is a loss making statutory corporation. In fact, the TRPTC is making losses for quite some time and may be forever. The amount of accumulated losses goes on increasing every year. It has risen from Rs.28 crore in 1991-92 to Rs.113 crore in 2001-02 and the increase in accumulated losses is often more than the loss during the fiscal year. The accumulated losses amount to Rs.113.13 crore in 2001-02. During the period 1991-92 through 1997-98 the pace of accumulation was somewhat slow but thereafter it became rather fast.

Capital invested, which is the sum of total capital contribution, total loan, all reserves and accumulated profit and losses. The amount of total investment kept on increasing every year till 1997-98 but in subsequent year not only it dropped but became negative, thanks to large and negative internal capital.

Net value of fixed assets of the corporation increased gradually over the years from Rs.6 crore in 1991-92 to Rs.12 crore in 2001-02, much of which consists of buses. Though number has not increased but valuation in terms of purchase might do so.

Net worth is negative and large though stock net worth is positive. Current net worth is enormously large—more than four times as large as the current personnel cost.

B.23.5: Revenue Analysis of the TRPTC

Revenue collected by the TRPTC does not conjure up to any reasonable number. It fell as low as Rs.1.11 crore in 1995-96 though of late it is about Rs.3.25 crore, in which contribution of non-traffic revenue is also significant.

B.23.6: Cost Analysis of the TRPTC

Total cost incurred by the TRPTC increased over the years from Rs.4.6 crore in 1991-92 to Rs. 11.92 crore in 2001-02. But it increased more rapidly only after 1994-95 and still more rapidly after 1998-99.

The cost recovery ratio of the TRPTC has been abysmally low. The highest it was 0.38 in 1991-92 and it touched a low of 0.17 in 1998-99. Where is the problem? On cost side, revenue side or on both.

The high total cost can be attributed to personnel cost component. The personnel cost forms 58, 59, 78 and 75 percent of total cost in years 1998-99, 1999-2000, 2000-01 and 2001-02.

The number of employees has always been very high in the TRPTC. For many years, bus staff ratio was around 20. There was very little decrease in the number of employees. For example, in early nineties buses on road had come down from 66 to 32, reduction in staff size came down from 900 to 800, changing bus staff ratio from 14.5 to 25. Half the bus can be filled with the staff. As occupancy ratio is more than 50 percent, some passengers will have to go standing! And if the better halves of the staff choose to board the buses of the corporation, worse halves on the staff will have to keep standing.

Interest and taxes are other two components of total cost. Interest paid by the TRPTC to Central Government, State Government and others available for two years in early nineties (1991-92 and 1992-93) and for two years in later nineties (1998-99 and 1999-00). For the first year interest paid is very minimal. But in 1998-99 and 1999-00, interest paid by the TRPTC was Rs.2.5 crore and Rs.2.8 crore respectively, which is more than the revenue earned by the corporation in respective years.

B.23.7: Fiscal Impact on the State Budget

The State Government provides capital contribution and loans to TRPTC. In return, the corporation is liable to pay interest on the capital contribution at 6.25 per cent per annum. Interest receivable by State Government from the TRPTC is higher than actual interest received, which is higher than the revenue it earns from traffic. It seems to be a case of over-capitalisation. Yes, they hardly pay any tax.

Profit is understandably negative and three-four times the traffic revenue it earns. 'Profit before interest and taxes' is negative. And it was perhaps always so! Disgusting!

There is very little burden on the TRPTC on account of concessions, not to affect any variable of analysis. Total receipt by the state increased from Rs.1.33 crore to Rs.4.85 crore between 1991-92 and 2001-02.

The net flow is from state to the TRPTC and the amount is increasing. It will be Rs.15 crore in 2004-05 and will be over Rs.20 crore in 2009-10. Which means a subsidy of Rs.40 lakh over a bus and Rs.2.5 lakh per employee.

	Tripura	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	14.56	15.80	17.05	18.29	19.53	20.77
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	14.56	15.80	17.05	18.29	19.53	20.77
4	Interest received by the State (Int.)						
5	Non Passenger Taxes received by the State (NPT)	0.078	0.085	0.092	0.100	0.107	0.115
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.078	0.085	0.092	0.100	0.107	0.115
7	Burden on the SRTU due to Concessions (B)	0.006	0.005	0.005	0.004	0.003	0.003
8	Effective Receipts by the State (ER_{state})(6+7)	0.083	0.090	0.097	0.104	0.111	0.117
9	Net Flow from the State (NF_{state}) (3-8)	14.48	15.71	16.95	18.18	19.42	20.65

B.23.8: Viability

The viability condition of TRPTC is very poor. The number of buses on road is only 47 whereas the number of employee is 779. So there is high but staff ratio. The cost recovery ratio shows that the revenue earned by the TRPTC is insufficient to recover the cost incurred by the corporation. The operating ratio is about 4 and at times it approaches 5. The fleet utilization is very low—at best 56, otherwise even 33.

Of course the occupancy ratio increased in the recent years but it did not work to strength the TRPTC 1995-96 onwards. The corporation purchased 8-10 new buses every year. But it failed to revive the corporation.

The outflow from the TRPTC to the state exchequers in the form of interest, taxes etc., is very low.In no way public purpose is served.

Humpty dumpty sat on a wall. Humpty dumpty had a great fall. All the king's men and all king's horses tried their best but could not put him together again.

B.24

UTTAR PRADESH

B.24.1: The State

Uttar Pradesh (UP) is the largest state of India both in terms of population. Total population of the state was 16.6 crore at 00:00 hour on March 1, 2001, with annual growth rate of 2.56 percent. The state after bifurcation has an area of 2.4 lakh sq kms dotted with over one lakh villages. However, these roads connect only 58000 villages out of over a lakh. It is suggested that by 2010, 35000 more villages will be connected by road. With total road length of approximately 1.13 km, the road density is less than 1/2 km per sq km. Though the state has extensive network of railways, the road continues to be the principal mode of passenger transport.

B.24.2: Passenger Transport in Uttar Pradesh

In UP, as per the information available, the total number of passenger buses in public transport is about 36000 (22000), of which nearing 30000 (15000) are in the private sector and 6000 (7000) in the public sector, including 1200 hired private buses. Passenger buses in the public sector are about 20 (30) percent of the passenger buses with the private operators. The figures in the brackets belong to the UPSRTC.

Passenger road transport services in the state of UP started on 15th May 1947 with the operation of bus service on the Lucknow-Barabanki route by the erstwhile UP Government Roadways. Subsequently, during the fourth Five Year Plan, the erstwhile UP Government Roadways was converted into a corporation on June 1, 1972 and rechristened as the Uttar Pradesh State Road Transport Corporation (UPSRTC). Subsequent to carving out of Uttranchal, UPSRTC has been bifurcated in UPSRTC and Uttranchal RTC on October 2003.

B.24.3: Uttar Pradesh State Road Transport Corporation (UPSRTC)

UPSRTC is the only public undertaking, a statutory corporation, engaged in the public passenger transport sector in UP. It came into existence on 1st June 1972 under the provisions of the Road Transport Act, 1950. It provides transport services in the state of Uttar Pradesh and other adjoining states in North India. The Corporation has been reconstituted on 31st October 2003 with the services in the state of Uttaranchal forming a separate corporation.

At the time of establishment of the Corporation it had a fleet of 4253 buses, which were operating on 1123 routes, over a total of 122 thousand kilometers of road length, at an average route length of 109 kilometers. The corporation's earned kilometers operated at that time were 22.88 crore kilometers, while the total number of passengers carried by its buses totalled 25.13 crore. Thereafter an increase in operations took place, which led to an expansion of not only the fleet strength and route length, but also of the number of earned kilometers and number of passengers carried. The increase in the scale of operations in the UPSRTC over the years from the onset of its establishment is shown in the following table.

Year	Fleet Strength	No. of routes	Average route length (in km.)	Earned kms. (in crores)	No. of passengers carried (in crores)
1972-73	4582	1111	130	23.25	23.82
1982-83	5826	1843	148	37.39	36.51
1992-93	7958	2703	202	61.95	40.44
2002-03	6554	2055	213	69.30	33.95

During the Seventh five-year plan emphasis was placed on strengthening the fleet of the corporation. By the end of the plan period the fleet had risen to 8161 buses from the initial strength of 6198. During the plan period, 5191 new buses were inducted in the fleet, 3228 for replacement and 1963 for augmentation. This increase had to be made in order to compensate for the gradual discontinuation of about 1000 hired buses which were operating on the nationalised routes of the state, under control of the corporation. This was continued in further plan periods, where buses were replaced with new buses while some old buses were auctioned. At present, with a fleet size of around 7000 buses it operates over 21 lakh kilometers catering to the travel needs of over 10 lakh people and earning over Rs.24 lakh everyday.

The UPSRTC runs primarily rural and inter-city services. The Corporation has also recently commenced the operation of AC Buses (HIMANI & SHEETAL) and non stop inter city services (PAWAN). Of late, in view of the paucity of funds to replace the aged fleet, the corporation has been using private vehicles on as lease well as hired buses to operate on nationalized routes under its control. By the end of the fiscal year 2002-03, 1126 private buses were operating under this scheme, where the maximum number of buses that were ever hired was 1550. Thus, around 20 percent buses are hired from private owners.

For efficient functioning the corporation has been divided into regions totaling 15. Each region has a regional workshop where major repair and maintenance work as well as assembly reconditioning work is performed. Each region has been further divided into operational units called depots. The total number of depots in the corporation is 98, including car-section. Each depot has a depot workshop attached to it, to provide supportive maintenance facilities. For heavy maintenance and repair of vehicles, reconditioning of major assemblies, renovation of buses and construction of bodies on new chassis, two central workshops have been established in Kanpur. Six tyre retreading plants are established at Gorakhpur, Ghaziabad, Bareilly, Kanpur, Saharanpur and Allahabad to provide in-house tyre retreading facilities.

Yet, the fact is that operations of the corporation have never been efficient and it has been a loss-making enterprise ever since inception.

B.24.4: Extent of Nationalisation

The UPSRTC operates mainly on nationalized routes of UP but also to some extent on other routes of UP and neighbouring states. But nationalized routes over which it has monopoly are not very extensive; they form merely 16 percent of the total routes.

B.24.5: Capital Structure of the UPSRTC

At the time of establishment of the corporation, the total capital invested (Rs. 33.09 crore) in the then UP Roadways by the State Government was transferred to corporation—Rs.12.00 as capital contribution as Rs.21.09 crore as loan. The Central Government agreed to provide its contribution equivalent to 20 percent of the state's contribution. However, it provided Rs.3 crore during 1974-75 and 1975-76. In 1977 the Central Government agreed with the State government to contribute in the ratio of 1:2. It is reported that this arrangement continued till 1988-89 though one find a contribution of Rs.10 crore in 1989-90.

In 1988-89, however, the Central Government decided not to provide any extra capital contribution to loss-making corporations. Since the corporation could not earn any profit or attain break-even till 2002-03, it could not get any capital contribution from the Centre. But the State could not afford taking such an attitude or could not avoid helping the corporation. Rather from 1986-87, it gave capital in the shape of capital contribution as well as share

capital. But in 1993-94, both the governments converted their capital contribution together with interest thereon till 1992-93 into share capital. Which means capital contribution of Rs.265 crore became share capital of Rs.313 crore, reducing current liability by amount equivalent to the difference. Thereafter the state has been providing small amounts in the form of share capital. Share capital helps a loss-making enterprise in the sense that its current liability does increase due to inability to pay interest.

From the data for 1991-92 to 2002-03, it is found that the equity/capital contribution of the Central Governments to the UPSRTC has been a little over 20 percent (between 22 and 28 percent), the rest being provided by the state government. The total equity/capital contribution of the UPSRTC at the end of the fiscal year 2002-03 is Rs.321.37, out of which Rs.252.12 crores belong to the State Government and Rs.69.25 crores to the Central Government.

The State Government provides loans to the UPSRTC, but it is of very small amount. So the corporation has to depend on other sources for loans. The major providers of loans to the UPSRTC have been the IDBI, the LIC, and commercial banks, in varying proportions. Now the share of the IDBI is very low. Public deposits and other deposits also show up. The outstanding loan amount taken by the UPSRTC increased from Rs.95 crore in 1991-92 to Rs.152 crore in 1995-96, came down to Rs.98 crore in 1999-00 and then increased to Rs.146 crore in 2001-02 and Rs.153.50 crores in 2002-03.

We have defined external capital as the sum of the total capital contribution by the governments to the UPSRTC and the total loans obtained from various sources as the owners do not undertake the risk and charge a fixed rate of interest. The ratio of equity/capital contribution to loan contribution has been around 3:1 in early years and 2:1 later on.

The details of the external capital of the corporation at the end of 2002-03 are shown in the following table.

(Rs. in crores)

S.No.	Particulars	2002-03	2003-04
I.	**Equity/Capital Contribution**	321.37	321.37
a)	State Government	252.12	252.12
b)	Central Government	69.25	69.25
II.	**Outstanding Loans**	153.50	182.00
a)	State Government	12.00	9.00
b)	IDBI	1.63	0.00
c)	LIC	44.27	21.00
d)	Commercial Banks/HUDCO	95.60	152.00
	Total (I+II)	474.87	503.37

A corporation creates many specific reserves for meeting certain purposes such as accident compensation, workmen's compensation, bad and doubtful debts or development and specified funds such as pension, gratuity, staff benefit, amenities. It often goes for general reserves as well. The reserves rose to a level of Rs.523 crore (more than doubled over the decade) despite the accumulating losses.

The UPSRTC has been a perennial loss-making corporation since its inception except for four years when it had nominal profit between Rs.45000 to Rs.1.21 crore. The situation is quite grim, as the losses seem to increasing every year. Yearly loss rose from Rs.1 crore in 1972-73 to Rs.121 crore in 2001-02, though fluctuating in between. However, it reduced to Rs.55 crore in 2002-03 and to Rs.35 crore in 2003-04. The corporation had an accumulated

loss of around Rs.300 crore in 1992-93, Rs.600 crore in 1999-2000 and Rs.900 crore in 2002-03 and is still rising. In fact, the accumulated losses now far exceed the total external capital.

Internal capital in the form of general and other reserves has been good but because of high accumulated losses, internal capital was always negative. Since 1991-92 it came down from mere (-)Rs.15 crore to (-)Rs.380 crore in 2002-03.

The net fixed assets in the four years, 1992-93 through 1995-96, was quite high compared to the other years. It appears that the asset value of 8000 buses was just about Rs.108.97 crore in 1991-92, which changed to about Rs.200 crore over the decade. While current assets have grown at snail's pace, the current liabilities seem to know no bounds. Currently, net current assets are around Rs.117 crore. As a result capital employed, positive and high till 1995-96 (Rs.405 crore) has turned negative and high (Rs.370 crore). Therefore, rate of return on them has not been calculated after 1997-98.

But the stock net worth which is the difference between net fixed assets and total outstanding loans is positive throughout the period and it follows the same pattern as net fixed assets.

B.24.6 Revenue Analysis of the UPSRTC

The UPSRTC is a case where one has to work on both the frontiers: cost needs to be reduced drastically and at the same time, revenue has to be improved considerably. For locating revenues to improve the cost recovery ratio, one has to look at the revenue side of the UPSRTC. Total revenue consists of traffic and non-traffic revenue. Major portion of the revenue consist of traffic revenue, and it is more than 90 percent though the proportion of non-traffic has increased over the years. The proportion of non-traffic revenue in total revenue was only 4 percent through the nineties and it increased to 9 percent in the recent past.

In fact even when absolute revenue collection fell in 2000-01 and 2001-02 while costs rose as usual except in 1999-00, where there is sudden jump in total cost from Rs.686.02 crore to Rs.800.99 crore. This is due to sudden increase in the personnel cost of about Rs.60 crore—may be the payment of arrears and taxes. The scene has changed a bit for better since then.

B.24.7 Cost Analysis of the UPSRTC

Looking at the cost structure of the UPSRTC traffic operations, it is discovered that personnel cost was around 40 percent and did not exceed 45 percent of the total cost (including taxes) incurred by the corporation. However, excluding passenger taxes, it is found to be around 45 percent and exceeded 50 percent of the total net cost in 2000-01 and 2001-02.

It may be noted that the database used in this study did not show passenger tax in the financial performance table for the UPSRTC but did give passenger tax in a separate table. Under the belief that this is not already a part of cost—as is verified by other components, reported cost has been treated as 'net'; and the calculations are made accordingly. The Table below shows absolute figures in Rs. Crore. The cleavage between the two ratios increased as the passenger tax rates increased from 17.35 percent to 21 percent.

Year	Total Cost	Passenger Tax	Net Cost	Personnel Cost	Personnel cost as % of	
					Total Cost	Net Cost
1997-98	671.63	26.91	644.72	288.53	42.96	44.75
1998-99	742.43	56.41	686.02	304.64	41.03	44.41
1999-00	915.81	114.82	800.99	361.71	39.49	45.16
2000-01	878.33	139.64	738.69	390.68	44.48	52.89
2001-02	889.81	114.12	775.69	398.12	44.74	51.32
2002-03	1011.69	151.60	867.56	388.80	38.43	44.82

It is on higher side as compared to many large corporations. There could be two factors for it: one, higher compensation rates and two, higher bus-staff ratio. The bus-staff ratio is found to be around 8 in the UPSRTC. So, there is some scope for reducing it, as has been attained in other corporations. Some corporations have even achieved reduction in bus staff ratio by increasing fleet rather than reducing the size of staff. One is welcome to do it provided one could do without affecting fleet utilization or occupancy ratios.

Regarding the fuel costs the UPSRTC has however shown considerable fuel efficiency. The fuel consumption (km/litre) is quite good and has been improving over time though it has yet to touch the mark of 5. It may be noted that the UPSRTC was awarded 4th rank for it fuel performance in the late eighties. To achieve optimal fuel efficiency in passenger road transport industry, the CIRT has advised for development of fuel-efficient passenger buses. The UPSRTC is one of the corporations, which have already built up buses according to the CIRTs specifications in a large measure.

Rate of depreciation (for all assets taken together) is very high in the UPSRTC – about 20-22 per cent on an average, while the rate of depreciation of buses alone is higher at 20-27 percent. Depreciation as such accounts for 6-10 percent of the total cost in the UPSRTC.

Taxes paid by the UPSRTC to the State Government consist of Motor Vehicle Tax and other taxes on buses. Passenger tax is 17.35 percent of the basic fare and included in the total fare. It has not been shown as a separate entry. The non-passenger tax rate is around 1 per cent of the total cost in UPSRTC, which is much better as compared to the other corporations.

The average rate of interest on external capital has been falling gradually in the UPSRTC. The corporation is obliged to pay a certain rate of interest to the State Government on the capital contributed by the latter. Apart from that the corporation also has to pay interest on the loans taken from the IDBI, the LIC and other commercial banks.

Cost Recovery Ratio which improved for a while in early nineties and reached 0.95, has been on continuous slide down and touched the low of 0.85 in 2002-03, which is an improvement compared to past two years. Operating ratio has never reached 1 though it was very close in 2001-02. This is here that the hope lies.

B.24.8: Physical Performance of the UPSRTC

The bus utilization (km/ Bus on road/ Day) in UPSRTC has shown gradual improvement. From 240.6 km in 1991-92, it has reached a level of 287.60 km. in 2002-03. However, it has been noted that some corporations are known to have put in special efforts to improve the fleet/bus utilization, which sometimes leads to a drop in the occupancy ratio. In some other cases it is possible that the drive to improve occupancy ratio may result in restricting the Effective Kms, or service Kms and thereby the bus utilization.

The fleet utilization has not been bad; it is around 86-91 percent. This has shown an increasing trend till the mid-nineties, then fell sharply, rising again till 1999-00. But in the

subsequent two years, 2000-01 and 2001-02, it has shown a decline marginally. It may have to do with age-profile of the fleet. However, in 2002-03 it rose to 91 percent.

The crucial parameter, which improves traffic revenue without increasing cost, is occupancy of seats for maximum distance. It may depend on scheduling and routing (and of course, fare). We do not wish to cast aspersion on staff to allow ticket-less travel or on passenger to have habit of ticket-less travel unless forced otherwise. Occupancy ratio and fare structure are important parameters to decide the profitability. But in case of the UPSRTC the fare structure did not seem to make any impact on the occupancy ratio. So low occupancy ratio appears to be the foremost reason for the low revenue of the corporation.

The occupancy ratio is not very encouraging in the UPSRTC. It has been falling throughout the period and has been below 60 percent in recent years. Only in 2003-04 this has risen to 63 percent. It reflects the fact that revenue will far short of the costs. Here we present the occupancy ratio of both the buses owned by the UPSRTC as well as the hired buses in UP over the years.

	Ordi-nary	Express	Semi Deluxe	Deluxe	Pass. Tax + Surcharge (in %)	Fare Hike (%)	Occupancy
01.08.1990	13.80						68
11.06.1992	17.90	19.70	22.375	30.43	16		65
08.06. 1994	20.60	22.66	25.75	35.02	16+0.844	85-110	69
* 1996-98	6.60 ps. Surcharges for corporation's appropriation without tax liability						67
07.11.1998	27.20	29.92	34.00	46.24	17.35	45	60
01.04.1999	29.92	32.912	37.40	50.864			
14.03.2000	35.00	38.50	43.80	59.50	Incl. PT	17	58
20.05.2000	38.50	42.35	48.13	65.45	@17.35	10	58
04.06.2002	39.76	43.74	49.70	67.59			
16.09.2002	40.44	44.48	50.55	68.75			
06.03.2003	41.68	45.85	52.10	70.86			

In 1994 while passenger tax was 16 percent and there was a surcharge of 5 percent on it. Gradually it went on increasing. Today it is 21 out 121, which means 17.35. But during 1996-98 there was added a surcharge in the fare for exclusive appropriation by the corporation on which it was not liable to pay any passenger tax and therefore the rate on gross fare was lower.

B.24.9: Fiscal Impact on the State Budget

The UPSRTC pays interest and taxes to the State exchequer. It paid Rs.6.62 crores and Rs.7.30 crores as interest to the State Government in 1991-92 and 1992-93 but seems to have stopped making any payment thereafter as figures of the interest payments to the State exchequer in subsequent years are found to be very meager. Therefore the total receipt of the State Government from UPSRTC consists mainly to the taxes paid by the corporation. Outflow from UPSRTC, which is calculated by adding total payment to the state in the form of interest and taxes, has been increasing, with some fluctuation. In the early years outflow from the corporation has been quite high, then it declined but in the later nineties again it increased.

The UPSRTC on the other hand, receives no subsidies from the State Government of UP. Moreover, it receives only part compensation for the concessions provided to various categories of people as a measure of social policy undertaken by the Government. Though of late this burden is declining. MPs/MLAs do not board the buses and for others the

government is withdrawing concession. Only freedom fighters are the major category to avail this facility. The total receipt of the Corporation from the State exchequer (outflow from the State) is big zero except in years when some capital contribution is made by the state. But why should they make meager contributions when the UPSRTC has accumulated loss of hundreds of crores.

Accordingly net flow from the State to the UPSRTC is negative for all the years. In 2004-05, the UPSRTC is likely to contribute about Rs.11 crore to State kitty. This amount will gradually rise to Rs.15 crore by 2009-10.

	Uttar Pradesh	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	0.00	0.00	0.00	0.00	0.00	0.00
4	Interest received by the State (Int.)	0.29	0.33	0.36	0.40	0.44	0.48
5	Non Passenger Taxes received by the State (NPT)	8.61	9.02	9.44	9.86	10.27	10.69
6	Total Receipts by the State from the STRU (R_{state})(4+5)	8.90	9.35	9.81	10.26	10.71	11.16
7	Burden on the SRTU due to Concessions (B)	2.24	2.50	2.75	3.01	3.27	3.52
8	Effective Receipts by the State (ER_{state})(6+7)	11.14	11.85	12.56	13.27	13.98	14.69
9	Net Flow from the State (NF_{state}) (3-8)	-11.14	-11.85	-12.56	-13.27	-13.98	-14.69

B.24.10: Viability of the UPSRTC

In this context, it can be said that the performance of the UPSRTC is dismal. It is on the whole around Rs.10 crore even when we include the concessional burden on the receipt side of the state. Net flow from the state to the UPSRTC has been positive when some capital contribution was made by the state. Otherwise it is negative throughout the period since 1991-92. Here we have to remember that state has not given any subsidy to this corporation.

However, the intriguing fact is that despite the fall in employment every year, as personnel cost still accounts for 45 per cent of the total. This may be due to the fact that the wages/ salaries are linked to 'Cost of living Index' and spiraling rates of inflation have resulted in higher share of personnel costs. But it is one of those corporations where

While the accumulated losses are reaching the staggering sum of around Rs.1000, it is the non-paid sum of passenger tax, included in the fare, which is the Achilles' heel of the UPSRTC. This amounts to Rs.578 crore. They have suggested it should adjusted against certain items like delay in announcement of increase in fare, damage due to people's movements, operation on uneconomic routes, etc. The rest of it could be converted into equity capital.

They have pointed out that checking the unauthorized operations of private buses improve their income 15-25 percent.

Further, as they point out, there is no possibility of turning around without the support of the State government. The least they expect is the curtailment in passenger tax from 21 percent to 12 percent of the gross fare.

B.24.11: Suggestions

So for the corporation to turn around, what is needed is to increase the revenue earnings and at the same time reducing the cost. One of the main avenues to increase the revenue earnings is to increase the occupancy ratio, which depends upon various factors – seating capacity, types of services, spread of operation, scheduling etc. So, in order to increase the

occupancy ratio, the management of the corporation should look at each and every aspect. Moreover, improving occupancy ratio particularly when there is positive trend in bus utilization appears to be more difficult. It seems that, after a certain level, occupancy ratio becomes difficult to improve, as the level of service in terms of comfort decreases with increasing occupancy. Further, the UPSRTC has monopoly over only 16 percent of total routes, which are nationalized. They have to face competition elsewhere. Unauthorized operation is an issue but it affects both the UPSRTC and authorized operators. What does one say vis-à-vis the Railways?

To augment the revenue earnings the corporation can look for avenues to earn non-traffic revenue, like renting out premises, giving licenses to private parties for opening stalls, restaurants, kiosks, telephone booths etc.

The bus-staff ratio is found to be around 8 in the UPSRTC. So, there is some scope for reducing it, as has been attained in other corporations. We can reduce the costs of the corporation, by bringing down the bus-staff ratio by 25 percent, which some other corporations have been able to do. This will ensure a reduction of minimum 12 percent in the cost and the corporation may reach near break-even. But this should not be at the cost of falling occupancy ratio.

The average fleet age of the corporation buses is on the higher side about 6.5 years. Thus to reduce the material cost, the corporation has to do away with the over aged buses on a regular basis as not only do they consume more fuel but also increases the repair and maintenance costs due to frequent breakdowns.

From the discussion above it may appear that improving the occupancy ratio is not an easy task, especially when bus utilization is improving. However, occupancy ratio is too low in U.P. not to permit improvement.

B.25
WEST BENGAL

B.25.1: The State

The state of West Bengal makes international borders with Bhutan in the north and Bangladesh in the east. It makes boundaries with Orissa, Jharkhand, Bihar, Sikkim and Assam. It is now a tiny part of what Bengal Presidency once was. Except for merger of Chandernagore in 1954 and some adjustment with Bihar 1956, West Bengal continues to be what it was at the time of independence.

The state covers an area of 88,752 sq. km and has a population of more than 8.0 crore. It is the fourth largest state after UP, Mahrashtra and Bihar. Among full states it has the highest density (of over 900 per sq km). The total road length in West Bengal is 75435 km and hence the road density is 0.8 km per sq km.

B.25.2: Passenger Transport in West Bengal

Private bus services had been in operation in Bengal since 1920. After independence, the Government of West Bengal decided to take over the transport services of the city of Calcutta (now Kolkata) under its own control. This was mainly to meet the increased demand for passenger services owing to the influx of the population from East Pakistan (now known as Bangladesh) in the aftermath of partition, which came with independence. However, within a decade, a need was felt to set up a Road Transport Corporation for the city of Kolkata and the neighbouring areas. The Government of West Bengal therefore formed Kolkata (Calcutta) State Transport Corporation (KSTC) in 1960 under the Section 3 of the Road Transport Corporation Act, 1950.

Thereafter, two more statutory corporations were established. One was the North Bengal State Transport Corporation (NBSTC) and the other, South Bengal State Road Transport Corporation (SBSTC).The SBSTC, formerly known as Durgapur State Transport Corporation was incorporated in December, 1973, with a view to extend facilities of road transport in five districts of South Bengal, namely Burdwan, Birbhum, Bankura, Purulia and Midnapur (now Medinipur). In March 1988, the Government of West Bengal decided to extend its area of operation to all districts of West Bengal, including Kolkata, except Jalpaiguri and Cooch Behar, for which another corporation, viz., North Bengal State Transport Corporation was established. Both the NBSTC and the SBSTC ply their buses in both rural as well for inter-city services.

Apart from these three statutory corporations, there is also a government company in the transport sector, namely the CalcuttaTramway Company Limited (CTCL), which is also running bus service besides tram service. It was established way back in the nineteenth century in 1879 under the Companies Act (of the UK). When the Calcutta Tramways Act, 1951 was passed, it gave effect to an agreement between the company and the government of West Bengal, providing for the ultimate transfer of the undertaking to the government of west Bengal anytime after 1972. Accordingly, it has become a part of the government sometime later, as a government company. Apart from running trams, it may noted, the CTCL also operates bus services, in the city of Kolkata. However, the number is quite insignificant as compared to the other three transport corporations, which all ply their buses on the roads of Kolkata. It is amazing to see the variety of modes of transport in the city of Kolkata and so many agencies in road sector itself.

The total number of passenger buses registered in West Bengal in March 2000 was 22336, which may have risen to 25000 since then. In the public sector there are only 2838, accounting for only 13 percent of the total. Obviously, the share of contribution of these corporations in the State Transport Service was not so significant. The state was heavily dependent on the private sector to provide services in this critical infrastructural sector. Some of the important parameters of the three corporations are given below for a preliminary comparison.

Corporation	Fleet Strength	Revenue (Rs. Cr)	Cost (Rs.Cr)	Loss (Rs.Cr)
KSTC	1212 (42.71)	62.70 (39.31)	149.79 (46.27)	87.09 (53.35)
NBSTC	887 (31.25)	44.81 (28.10)	102.21 (31.57)	57.40 (35.16)
SBSTC	739 (26.04)	51.97 (32.59)	71.73 (22.16)	19.76 (11.49)
	2838	159.48	323.73	163.25

Note: The figures in parentheses show the share in percentage.

B.25.3: The Kolkata State Transport Corporation (KSTC)

Our database on undertakings other than the KSTC is either too scant or too inconsistent to allow any reasonable analysis. The merger of data would have created problems for the analysis. We are therefore concentrating on the KSTC, which is the largest undertaking accounting for more than 40 percent of the total fleet, and more than 50 percent of losses. At present the number of buses held by the KSTC is 1136 out of which only 800 buses are on the road.

The KSTC was formed by the Government of West Bengal in 1960 under the Section 3 of the Road Transport Corporation Act, 1950, with 165 buses only. It operates quite a few types of passenger transport services on city routes, namely, (a) Ordinary city services, (b) Express (Limited stop) services, (c) Special services, (d) Executive services, (e) Rocket services, and (f) Inter-State services. The KSTC, being a statutory corporation, the Comptroller and Auditor General (CAG) of India is the sole auditor of its accounts, as specified by section 33(2) of the Road Transport Corporation Act, 1950.

B.25.4: Capital Structure of the KSTC

The total capital contribution of the KSTC was only Rs.9.62 crores as on 31.03.2003, in which the State Government of West Bengal contributed Rs.8.62 crores and the Central Government Rs.1.00 crore. The ratio of their contributions has not been specified in the agreement between the two governments. But neither the proportion nor the total amount has changed over the years. Under the provisions of Road Transport Corporation Act, 1950, the corporation is liable to pay interest to the state government at the rate of 4-6 percent per annum and to central government at 6.25 percent per annum on the capital received from them.

For procurement of new buses, renovation of fleet, civil works etc., the KSTC obtained loans amount of about Rs.8 crore/Rs.10 crores annually, varying from Rs.5.72 crores to Rs.15.50 crores, from the State Government at the interest rate of 15.50 percent per annum. The period of loan was fixed 15 years as well as the rate of interest (15.50 percent) remained fixed. In 2000-01, however, it obtained a loan of Rs.18.35 crores from ICICI Bank for purchase of new buses, which had to be repaid at a monthly installment of Rs.38 lakhs. Apart from that, the KSTC also received loans from the West Bengal State Co-operative Bank Ltd. at a rate of interest of 15 to 16 percent per annum. The KSTC also received loans from IDBI in the early nineties, though only a small amount of the total loans. However, out of the loan

received from the State Government, the KSTC spent Rs.12.24 crores (about 30 percent) for meeting operational expenses rather than for purchasing buses, for which the loan was given.

Reserves form the basis of internal capital of the KSTC. They built up gradually over the entire decade of nineties, from Rs.75.92 crores in 1991-92 to Rs.153.60 crores in 1998-99. The present level is of about Rs.145 crores in 2002-03.

The accumulated losses of KSTC have been mounting over the years. From Rs.128.53 crores in 1991-92, they reached the level of Rs.337 crores in 2002-03, despite receipt of subsidy from the Government of West Bengal towards salaries and wages of Rs.298.85 crores, during the five years from 1995-96 to 1999-00.

Despite the huge amount of accumulated losses, capital invested of the KSTC was quite robust. This was mainly due to the ample provision of internal capital in the form of general and other specific reserves and there was substantial external capital available (primarily formed of loan capital, about 95 percent). The capital invested in the KSTC at the end of the fiscal year 2001-02 was about Rs.185 crores, which was only Rs.115 crores in 1991-92. But in 2002-03, it fell considerably to Rs.54 crores.

Capital employed is defined as the sum of net value of fixed assets and that of net current assets (current assets – current liabilities). In the case of the KSTC, capital employed was robust during the period since 1991-92 because of substantial net fixed assets though value of net current assets continued to be negative. The trend of capital employed by the KSTC was almost similar to that of the capital invested in the corporation. It increased from Rs.110 crores in 1991-92 to Rs.180 crores in 2001-02. However, in 2002-03 the capital employed by the KSTC fell sharply to Rs.39 crores, mainly due to the sharp rise in the current liabilities. But this is not the case everywhere

Net worth of the KSTC is negative throughout the period. Though capital employed by the KSTC was quite substantial, loans received was higher than capital employed, resulting in a negative net worth of the corporation. The net worth of the KSTC dropped considerably from (-) Rs.46.70 cores in 1991-92 to about (-) Rs.200 crores in 2001-02. Thus, capital invested and capital employed are both positive, yielding negative returns. Net worth is negative at least since 1991-92.

B.25.5: Revenue Analysis of the KSTC

The operating performance of the KSTC has been very poor throughout. There is a wide gap between total revenue and total cost, and the gap seems to be widening over time. This is reflected in the cost-recovery ratio of the KSTC, which is only 40-45 percent as compared to 80 percent for all-India. Operating ratio has been consistently been more than 2. We find that despite the wide gap between revenue and cost, there was no effort to improve it.This is noted in the fact that the percentage of cancelled trips during 1995-96 to 1999-00 varied between 13 percent and 20 percent. It has also been pointed out that due to lack of crew the KSTC incurred a loss of potential revenue of Rs.3.68 crores and due to cancellation of trips, Rs.5.84 crores.

Despite good occupancy ratio till 1999-2000, the traffic revenue of the KSTC was far from acceptable. It could not even meet the operating costs. In fact, the personnel cost incurred was very much higher than the traffic revenue earned by the corporation. The traffic revenue earned by the KSTC has been around Rs.32 crores in 1991-92 to about Rs.62 crores in 2002-03. The corporation does not earn much non-traffic revenue, about 2-7 percent of the total revenue. The reasons for this malaise, as admitted by the Management, were: (i) buses not halting at scheduled stoppages, (ii) overcrowding during peak hours, and (iii) non-

collection of fares from passengers. The State Government periodically announces concessions and free passes for students, freedom fighters, journalists etc., as a part of its social policy. Due to this the KSTC had to lose potential revenue of about Rs.5.50 crores which were not reimbursed by the State Government. However, this burden imposed on the KSTC because of the concessional fare policy of the Government of West Bengal is too small in magnitude, if we compare it with the subsidies received by KSTC from the State Government.

Further more, the corporation did not undertake surveys to assess the economic viability before introduction of new routes. The government has a tendency to issue permits to more buses against the requirement, resulting in decrease in earning due to lower occupancy.

There are other sources of loss of potential revenue for the KSTC. If we compare the earnings of private operators vis-à-vis the corporation on similar routes with comparable fare structure, we will find the former earn more than the latter. Not only that, routine and surprise checking by the checking inspectors are not done regularly. In fact, the corporation must do away with the checking staff with immediate effect so that at least that part of cost is saved.

B.25.6: Cost Analysis of the KSTC

Now we analyse the cost structure of the KSRTC. We find that there is considerable overstaffing in this corporation, resulting in huge amount of personnel cost. The share of personnel cost in the total cost is high and increasing. In the last ten years it rose from 55 percent in the early nineties to 62 percent in 2001-02. However it fell marginally to 58 percent in 2002-03. The all-India average is only 40 percent. In view of such huge personnel cost, an important development that has been undertaken is the drastic cut in the total employment. On an average, there is a fall of about 500 employees every year. This may be because of the Voluntary Retirement Scheme (VRS) offered to the employees.

This has obviously resulted in a fall in the bus-staff ratio, from 14 in the early nineties to 10 in 2001-02. However, what is intriguing is the fact that despite the fall in employment, personnel cost still accounts for a major share of the total cost, and the share has been increasing every year till very late. Overstaffing is one of the major causes of the poor operating performance of the KSTC. The ASRTU has set a norm of eight staff per bus on road, which itself is very high. But many state governments fixed much lower norm. In fact, the KSTC had to incur an expenditure of Rs.23.64 crores for deployment of about 4000 staff in excess of the ASRTU norms. So, it is not surprising that the Government of West Bengal had to provide subsidies towards payment of salaries to the employees of the corporation. Despite excess employees strength, KSTC allowed overtime facilities to the employees. On this account it had to incur an average expenditure of Rs.2.52 cores per annum during 1995-96 to 1999-2000.

Of the total variable cost, fuel cost also accounts for about 51-54 percent in the KSTC. The fuel consumption, measured by the average kilometers run per litre of High Speed Diesel (HSD) in KSTC, is quite high as compared to the other corporations. While some corporations have crossed fuel efficiency level of 5.0 kms per litre, the KSTC has fixed norms of 3.40 to 3.42 km per litre against which it achieved actual mileage between 3.30 and 3.36. Only of late, in 2000-01 and 2001-02, it improved to 3.46 and 3.56 respectively. This is consumption of fuel in excess of the norms as fixed by the corporations though city buses in congested cities like Kolkata, a norm of 5 is on too high a side. However, operating the bus fleet at a level of only 70 percent could have little justification.

The other components of cost were quite small in comparison to personnel cost and fuel cost. For example, the rate of interest on loans received from the Government of West Bengal at 15 percent per annum is too high but actually the corporation did not pay it up. The corporation is also supposed to pay interest on the capital contribution of the state government. However, there were made no interest payments to the state government by the KSTC.

In West Bengal, there is no passenger tax on any of the services. The NBSTC and the KSTC pay motor vehicle tax according to seating capacity and service, which the SBSTC does not. But the SBSTC pays other forms of taxes. The burden per kilometer is the highest on the KSTC, and lowest on the NBSTC. This is all as per information available. The total taxes paid by the KSTC to the Government of West Bengal is in fact very low, about Rs.30-40 lakh only. Since the tax accrues to the State Government, may be this is a policy of the Government of West Bengal.

The rate of depreciation is also quite low, about 5 percent on an average in the KSTC. It was around 4.7 percent in the early nineties, rising to 5 percent in the late nineties. However, in the last few years (2000-01 to 2002-03) it has fallen below 4 percent. It is inexplicable why such a low amount, say Rs.10 crore, on a bus fleet of Rs.150 crore, should be appropriated as depreciation, while bus fleet may be quite old. This may be to show that the cost is low!

B.25.7: Physical Performance of the KSTC

The fleet utilization in the KSTC is not good. It is around 65-70 percent. The number of spare buses is quite significant. Though the fleet strength is above 1200 buses, yet the average number of buses on road is only about 780-800 buses. About 400 buses are off the road, on an average. It is quite obvious that the fleet utilization is to be improved. And if the buses are really old enough for use, why to carry them on head.

There is also a problem of over-age buses. According to ASRTU norm, 60 percent of the total fleet strength should be less than 4 years old. Though the KSTC adhered to this norm in the early nineties, it did not adhere to the norms from 1996-97. The average age of the bus fleet is around 6-7 years in the late nineties right up to 2002-03. Due to the problem of over-age, buses frequently breakdown and fuel is consumed in excess. But it keeps bus staff ratio low! So if you cannot buy new buses and cannot retire employees, keep the former on life support system! The high incidence of breakdowns had also resulted in the increase in repairing cost from Rs.9.63 crores in 1995-96 to Rs.14.68 crores in 1997-98, thus putting more burden on the already tight finances of the corporation.

Occupancy ratio presents a different picture in the case of the KSTC. It cannot be low on Kolkata streets but may be low other routes. It was over 100 percent through most part of the nineties because a greater percentage of standees may be allowed as compared to the buses in other corporations. But then it fell to 85-90 percent in the late nineties, touching the low of 74 percent in 2000-01. It fell further to 54 percent subsequently.The matter is of serious concern.

According to section 67 of the Motor Vehicle Act, 1939, only the State Government is empowered to revise the fares in order to keep pace with the rising cost. However, it has been observed that the State Government revises the fare structure only at the time of increase in fuel prices. Also, the revision was made when the private bus operators approached the Government! Nevertheless, the fall in occupancy in the KSTC can be attributed to the rise in fares, to a certain extent. This is shown in the table below. Otherwise the preference for better privately owned buses over shanty publicly owned buses cannot be ruled out.

Date	Express		Rocket	Inter-State	Hike in fares (%)	Occupancy ratio
	Day	Night				
	16	18	23	18		112
18.03.94	18	20	24	20	4 –12	117
12.07.97	20	22	26	22	8 – 11	96
30.09.97	22	24		24	9 – 12	96
22.10.99	27	29		27	12 - 23	84
10.11.00	32	32		37	11 - 37	73/54*

*In 2000-01 and 2001-02 respectively.

B.25.8: Fiscal Impact on the State Budget

Apart from the capital contribution from the State Government, which has remained fixed at Rs.8.62 crore from 1991-92 onward, the KSTC also received loans from the Government of West Bengal. The annual loan amounts were not huge varying from Rs.5 crore to Rs.15 crore. Recently, the KSTC received fewer loans from the State Government, and instead opted for loans from the ICICI bank. Obviously, there was no major change in the state investment (equal to the sum of capital contribution of the State Government and the State Department).

The interest burden of the corporation was not much on capital contribution, which itself is very low, because the KSTC was obliged to pay interest on capital contribution only at the interest rate of 4-6 percent per annum. The rate of interest payable on other loans was on an average 15 percent per annum (varying from 14.75 percent to 15.50 percent) and the interest paid was substantial. However, there was no interest payments actually made by the corporation to the state government.

Hence, the total receipts of the State from the KSTC consist only of the interest amount from capital contribution and loans, and the taxes. Interest on capital contribution to be paid by the corporation comes to Rs.52 lakhs throughout the period (6 percent on Rs.8.62 crores). The interest receivable by the State on loans comes to about Rs.1.2 crores to Rs.2.0crores. However the interest receipts on loans in the recent years has been much less (less than Rs.1.0 crore). The total interest receivable by the state from the corporation comes to about Rs.2-3 crores. This together with the tax payments makes the total receipts of the State from the KSTC of about Rs.3.0 crores at the maximum. However, in recent years, from 1999-00 to 2001-02, the actual receipts of the state were about Rs.1.0 crore.

The State did not reimburse the burden of concessions absorbed by the KSTC. Due to this burden, the KSTC had to incur a revenue loss of about Rs.5.50 crore. However, the State Government paid subsidies to the KSTC from 1995-96 onwards towards payment of salaries to the employees of the corporation. The amount varied from Rs.52 crores in 1996-96 to Rs.105 crore in 2001-02. This subsidy amount has been the major outflow from the State to the KSTC.

Now if we consider the net outflow of funds of the State Government, we see that in the early nineties, where subsidies were unavailable from the State Government, the KSTC was in fact a net donor to the State Government though the amount was very small, about Rs.3 crore a year. But after 1995-96, when the State Government started giving subsidies for disbursement of salaries, the KSTC received major budgetary support from the Government of West Bengal. This amount varied from Rs.50 crores in 1995-96 to Rs.105 crores in 2001-02.

Based on this, we now project the net flows from the state to the KSTC over the next five years, 2004-05 to 2009-10. We find that the state will be providing a huge amount of funds to the corporation, to the tune of about Rs.150 crores in 2009-10.

	West Bengal (KSTC) (Rs. in crore)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	107.50	114.88	122.25	129.62	137.00	144.37
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	107.50	114.88	122.25	129.62	137.00	144.37
4	Interest received by the State (Int.)	0.00	0.00	0.00	0.00	0.00	0.00
5	Non Passenger Taxes received by the State (NPT)	0.00	0.00	0.00	0.00	0.00	0.00
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.00	0.00	0.00	0.00	0.00	0.00
7	Burden on the SRTU due to Concessions (B)	0.55	0.57	0.60	0.63	0.66	0.69
8	Effective Receipts by the State (ER_{state})(6+7)	0.55	0.57	0.60	0.63	0.66	0.69
9	Net Flow from the State (NF_{state}) (3-8)	106.95	114.30	121.65	128.99	136.34	143.69

B.25.9: Viability of the KSTC

When every parameter such as bus utilization, occupancy ratio, bus-staff ratio, bus-run, has to be rationalized/improved, there is hardly any chance to turn-around the corporation. Despite the considerable budgetary support from the State Government for about 7-8 years, the corporation did not show any sign of improvement, either from the financial side or from the physical side. It has become a major burden on the state finances. Hence there is need to search for options acceptable to the government and the employees.

B.25.10: Suggestions

If the corporation is to continue its operations in the state then it has to take some hard decisions very quickly. The operating ratio is embarrassingly high in the KSTC, over 200 percent and the cost recovery ratio is below 50 percent. So immediate measures need to be taken to reduce the costs. Fare revision is over due. Occupancy is not very low and it may not any lower if conditions of the buses improve.

STATISTIAL
SUPPLEMENTS

ANDHRA PRADESH

Andhra Pradesh State Road Transport Corporation (APSRTC)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A.	EXTERNAL CAPITAL													
I.	*Total Equity Contribution (TEC) (a+b)*	*194.26*	*194.26*	*194.26*	*194.26*	*201.27*	*201.27*	*201.27*	*201.27*	*201.27*	*201.27*	*201.27*	*201.27*	*201.27*
a.	Equity contrinution by state	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19
b.	Equity contrinution by centre	61.07	61.07	61.07	61.07	61.07	61.07	61.07	61.07	61.07	61.07	61.07	61.07	61.07
c.	Interest free capital by the State	0.00	0.00	0.00	0.00	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01
II.	*Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)*	*156.53*	*158.12*	*74.56*	*55.32*	*36.72*	*56.55*	*115.09*	*271.50*	*417.99*	*582.84*	*754.07*	*821.84*	*1040.98*
a.	State loans													100.00
b.	APSRTC Staff Benevolent-cum-Thrift Scheme			12.00	12.00	8.85	14.33	27.33	40.41	72.18	98.10	118.84	135.16	149.14
c.	Loans from IDBI	103.18	102.31	43.56	26.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d.	Loans fron commercial banks	6.10						46.00	132.50	189.50	259.00	323.25	352.50	436.70
e.	Loans from LIC	20.51	23.07	18.00	15.66	27.08	39.87	36.16	90.67	131.80	169.25	215.59	196.20	171.13
f.	Public Deposits													
g.	Staff Retirement Benefit Scheme	26.74	32.74	1.00	0.80	0.79	2.35	5.60	7.92	24.51	56.49	96.39	137.98	184.01
	Total External Capital (I+II)	*350.79*	*352.38*	*268.82*	*249.58*	*237.99*	*257.82*	*316.36*	*472.77*	*619.26*	*784.11*	*955.34*	*1023.11*	*1242.25*
B.	INTERNAL CAPITAL													
I	Reserves	579.30	681.37	780.98	899.42	1026.82	1107.62	1156.37	1268.67	1368.91	1459.67	1536.12	1648.70	1761.78
II	Accumulated profit/losses	-95.48	-122.01	-112.48	-99.79	-19.22	-12.91	-62.63	-161.27	-313.12	-523.07	-795.13	-976.81	-1019.00
	Total Internal Capital (I+II)	*483.82*	*559.36*	*668.50*	*799.63*	*1007.60*	*1094.71*	*1093.74*	*1107.40*	*1055.79*	*936.60*	*740.99*	*671.89*	*742.78*
C.	*CAPITAL INVESTED (CI) (A+B)*	*834.61*	*911.74*	*937.32*	*1049.21*	*1245.59*	*1352.53*	*1410.10*	*1580.17*	*1675.05*	*1720.71*	*1696.33*	*1695.00*	*1985.03*
D.	CAPITAL EMPLOYED (CE)													
I	*Net fixed assets (NFA) of which*	766.95	834.53	909.38	1005.36	1159.60	1301.67	1463.85	1580.29	1693.59	1789.46	1840.35	1882.69	1971.87
a	Net value of buses	668.67	643.19	698.62	769.95	876.33	988.18	1116.43	1218.20	1287.70	1386.58	1428.21	1463.66	1542.11
b	Net value of other assets	98.28	191.34	210.76	235.41	283.27	313.49	347.42	362.09	405.89	402.88	412.14	419.03	429.76
II	Current Assets	187.56	210.83	229.62	246.50	261.33	239.10	233.67	266.54	280.23	220.16	246.05	215.60	310.12
III	Current Liabilities	119.61	133.35	188.17	195.77	176.21	189.01	282.08	261.50	293.48	289.70	390.98	404.29	384.25
	Capital Employed (CE)(I+II-III)	*834.90*	*912.01*	*950.83*	*1056.09*	*1244.72*	*1351.76*	*1415.44*	*1585.33*	*1680.34*	*1719.92*	*1695.42*	*1694.00*	*1897.74*
E.	*Stock Net Worth (NFA-TOL)*	*610.42*	*676.41*	*834.82*	*950.04*	*1122.88*	*1245.12*	*1348.76*	*1308.79*	*1275.60*	*1206.62*	*1086.28*	*1060.85*	*930.89*
F.	*Total Net Worth (CE-TOL)*	*678.37*	*753.89*	*876.27*	*1000.77*	*1208.00*	*1295.21*	*1300.35*	*1313.83*	*1262.35*	*1137.08*	*941.35*	*872.16*	*856.76*
	CHANGES IN STOCKS													
	Change in reserves		102.07	99.61	118.44	127.40	80.80	48.75	112.30	100.24	90.76	76.45	112.58	113.08
	Change in accumulated profit/losses		-26.53	9.53	12.69	80.57	6.31	-49.72	-98.64	-151.85	-209.95	-272.06	-181.68	-42.19
	Change in capital invested		77.13	25.58	111.89	196.38	106.94	57.57	170.07	94.88	45.66	-24.38	-1.33	290.03
	Change in capital employed		77.11	38.82	105.26	188.63	107.04	63.68	169.89	95.01	39.58	-24.50	-1.42	203.74
	Change in Net worth		65.99	158.41	115.22	172.84	122.24	103.64	-39.97	-33.19	-68.98	-120.34	-25.43	-129.96

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A.	**REVENUE**													
a.	Traffic revenue (TR)	876.42	1001.81	1193.75	1316.92	1533.62	1659.02	1871.67	1985.53	1984.18	2448.43	2385.26	2652.36	2773.18
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	876.29	1001.77	1193.69	1316.92	1533.62	1659.02	1871.67	1985.53	1984.18	2448.43	2385.26	2652.36	2773.18
c.	Non-traffic revenue (NTR)	25.39	35.43	40.69	50.63	51.33	76.51	69.45	67.43	78.93	91.78	90.39	89.62	196.01
	Subsidy / Reimbursement from govt.											100.00	138.00	152.00
d.	***Total Revenue (TTR) (a+c)***	***901.81***	***1037.24***	***1234.44***	***1367.55***	***1584.95***	***1735.53***	***1941.12***	***2052.96***	***2063.11***	***2540.21***	***2475.65***	***2741.98***	***2969.19***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	*901.68*	*1037.20*	*1234.38*	*1367.55*	*1584.95*	*1735.53*	*1941.12*	*2052.96*	*2063.11*	*2540.21*	*2475.65*	*2741.98*	*2969.19*
f.	Burden due to concession in fare	44.67	49.14	54.14	59.70	68.89	73.57	99.85	118.28	131.62	202.78	251.20	275.99	301.38
B.	**COST**													
a.	***Personnel Cost***	***372.76***	***433.84***	***510.24***	***570.11***	***644.33***	***677.91***	***826.55***	***908.05***	***1004.39***	***1067.47***	***1151.67***	***1239.82***	***1272.84***
b.	***Material Cost***	***313.37***	***366.14***	***405.33***	***446.11***	***485.72***	***571.81***	***658.91***	***675.64***	***789.16***	***923.31***	***901.71***	***998.81***	***1040.64***
	Direct Cost (DC)(a+b)	686.13	799.98	915.57	1016.22	1130.05	1249.72	1485.46	1583.69	1793.55	1990.78	2053.38	2238.63	2313.48
c.	***Depreciation (I+II) of which***	***112.30***	***121.20***	***127.81***	***134.35***	***150.30***	***138.35***	***135.47***	***157.56***	***163.59***	***159.88***	***145.40***	***141.92***	***110.85***
I.	Depreciation on buses	107.51	115.59	121.75	127.12	139.11	138.35	135.47	145.33	150.15	159.88	145.40	141.92	110.85
II.	Depreciation on other assets	4.79	5.61	6.06	7.23	11.19	0.00	0.00	12.23	13.44	0.00	0.00	0.00	0.00
d.	***Interest***	***27.55***	***30.95***	***27.71***	***22.59***	***8.03***	***10.18***	***14.25***	***23.66***	***45.10***	***63.15***	***86.92***	***97.35***	***105.12***
I	Interest to State Govt.	8.11	8.09	7.49	7.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II	Interest on Borrowings	15.62	19.04	16.40	10.82	8.03	10.18	14.25	23.66	45.10	63.15	86.92	97.35	105.12
	Net Cost (NC) =TC-PT	***935.96***	*1067.47*	*1232.53*	*1354.86*	*1539.88*	*1729.20*	*1990.84*	*2151.60*	*2485.10*	*2750.15*	*2847.73*	*3024.77*	*3093.97*
e.	***Taxes (I+II) of which***	***79.31***	***82.01***	***124.66***	***126.78***	***184.15***	***247.44***	***278.06***	***293.21***	***325.91***	***368.70***	***335.77***	***322.48***	***311.09***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	*79.18*	*81.97*	*124.60*	*126.78*	*184.15*	*247.44*	*278.06*	*293.21*	*325.91*	*368.70*	*335.77*	*322.48*	*311.09*
(i)	Motor Vehicle Tax	78.73	81.56	123.41	125.79	182.59	247.44	278.06	293.21	325.91	368.70	335.77	322.48	311.09
(ii)	Special Road Tax/Other taxes on buses	0.45	0.41	1.19	0.90	1.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Misc. & other Taxes	0.00	0.00	0.00	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II.	***Passenger Tax (PT)***	***0.13***	***0.04***	***0.06***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
f.	***Misc. and other costs***	***30.80***	***33.37***	***36.84***	***54.92***	***67.35***	***83.51***	***77.60***	***93.48***	***156.95***	***167.64***	***226.26***	***224.39***	***253.43***
	Total Cost (TC) (a+b+c+d+e+f)	*936.09*	*1067.51*	*1232.59*	*1354.86*	*1539.88*	*1729.20*	*1990.84*	*2151.60*	*2485.10*	*2750.15*	*2847.73*	*3024.77*	*3093.97*
C.	**MARGINS**													
a	Operating Surplus (TR* - DC)	190.16	201.83	278.18	300.70	403.57	409.30	386.21	401.84	190.63	457.65	331.88	413.73	459.70
b	Gross Margin (GM) = (TTR* - DC)	215.55	237.22	318.81	351.33	454.90	485.81	455.66	469.27	269.56	549.43	422.27	503.35	655.71
c	Net Margin (NM) = TTR -TC =TTR*-NC	-34.28	-30.27	1.85	12.69	45.07	6.33	-49.72	-98.64	-421.99	-209.94	-372.08	-282.79	-124.78
d	Profit after interest =Profit before tax (NM+NPT)	44.90	51.70	126.45	139.47	229.22	253.77	228.34	194.57	-96.08	158.76	-36.31	39.69	186.31
D.	**RATIOS**													
a	Operating Ratio = (DC/TR*)	78.30	79.86	76.70	77.17	73.69	75.33	79.37	79.76	90.39	81.31	86.09	84.40	83.42
b	Cost Recovery Ratio = (TR*/NC)	93.62	93.85	96.85	97.20	99.59	95.94	94.01	92.28	79.84	89.03	83.76	87.69	89.63
c	Return on capital invested ((NM+Int)/CI)	-0.81	0.07	3.15	3.36	4.26	1.22	-2.52	-4.75	-22.50	-8.53	-16.81	-10.94	-0.99
d	Return on capital employed ((NM+Int)/CE)	-0.81	0.07	3.11	3.34	4.27	1.22	-2.51	-4.73	-22.43	-8.53	-16.82	-10.95	-1.04

Table 2: Fiscal Aspects in relation to the State Govt.													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1	Equity Contribution from the State Govt.	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19	133.19
2	Interest free capital by the State					7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01
3	State Debt Outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
4	***State Investment in SRTUs (1+2+3)***	***133.19***	***133.19***	***133.19***	***133.19***	***140.20***	***140.20***	***140.20***	***140.20***	***140.20***	***140.20***	***140.20***	***140.20***	***240.20***
	FLOWS													
5	Increase in State Investment		0.00	0.00	0.00	7.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
6	Grants/Subsidies received from Govt.						0.00	0.00	6.36	0.00	0.00	100.00	138.00	152.00
7	***Total receipts by SRTU (5+6) from State***		*0.00*	*0.00*	*0.00*	*7.01*	***0.00***	***0.00***	***6.36***	***0.00***	***0.00***	*100.00*	*138.00*	***252.00***
8	Interest received by state govt	8.11	8.09	7.49	7.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Taxes received by state govt (only NPT)	79.18	81.97	124.60	126.78	184.15	247.44	278.06	293.21	325.91	368.70	335.77	322.48	311.09
10	***Total Receipts by the state (8+9) from STRU***	***87.29***	***90.06***	*132.09*	*134.73*	***184.15***	***247.44***	***278.06***	***293.21***	***325.91***	***368.70***	***335.77***	*322.48*	***311.09***
11	Burden on SRTUs due to Concessions	44.67	49.14	55.39	66.17	82.22	75.01	101.02	116.74	131.47	202.78	251.20	275.99	301.38
12	***Effective Receipts by the state (10+11) from STRU***	***131.96***	***139.20***	***187.48***	***200.90***	***266.37***	***322.45***	***379.08***	***409.95***	*457.38*	*571.48*	*586.97*	*598.47*	*612.47*
13	***Net Flow from State to SRTU (7-12)***		*-139.20*	*-187.48*	*-200.90*	*-259.36*	*-322.45*	*-379.08*	*-403.59*	*-457.38*	*-571.48*	*-486.97*	*-460.47*	*-360.47*
14	Passenger Tax (PT)	0.13	0.04	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1 Average No. Buses held	14431	15101	15235	15455	15790	16488	17233	17885	17944	18946	19249	19157	19012
2 Average No. of Buses on Road	13472	14270	14685	14924	15373	16107	16943	17792	18289	18764	18328	19017	18822
3 Fleet Utilisation (%)	93.35	94.50	96.39	96.56	97.36	97.69	98.32	99.48	101.92	99.04	95.22	99.30	99.28
4 Employment	117835	118922	118508	122228	117911	123380	130285	131474	131540	128796	126418	122358	119319
5 Effc. Kms. Operated (Cr.)	148.74	159.12	166.32	170.40	176.62	182.41	195.85	204.83	215.16	217.81	208.66	223.58	226.65
6 Km/Bus on road/Day	302.48	305.50	310.30	312.82	314.77	310.27	316.69	315.41	322.31	318.02	311.91	322.10	326.00
7 Bus Staff Ratio per bus on road	8.75	8.33	8.07	8.19	7.67	7.66	7.69	7.39	7.19	6.86	6.90	6.85	6.54
8 Occupancy Ratio (%)	74.70	78.32	74.55	79.70	77.65	74.80	73.65	71.14	70.05	61.34	61.08	63.00	60.00
9 Fuel Consumption KMPL (HSD)	4.95	4.99	5.01	4.98	4.98	5.02	5.05	5.05	5.07	5.08	5.07	5.24	5.37
10 Average Age of Fleet (in years)	4.50	4.50	4.50	4.62	4.70	4.83	4.83	4.90	5.00	5.05	5.05	5.82	5.82

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2 Subsidies/Reimbursement from the state (S)	176.89	196.96	217.04	237.11	257.19	277.26
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	176.89	196.96	217.04	237.11	257.19	277.26
4 Interest received by the State (Int.)	0.00	0.00	0.00	0.00	0.00	0.00
5 Non Passenger Taxes received by the State (NPT)	330.81	332.13	333.45	334.77	336.09	337.41
6 Total Receipts by the State from the STRU (R_{state})(4+5)	330.81	332.13	333.45	334.77	336.09	337.41
7 Burden on the SRTU due to Concessions (B)	353.78	393.93	434.07	474.22	514.37	554.52
8 Effective Receipts by the State (ER_{state})(6+7)	684.59	726.06	767.52	808.99	850.46	891.93
9 Net Flow from the State (NF_{state}) (3-8)	-507.70	-529.09	-550.49	-571.88	-593.27	-614.67

ARUNACHAL PRADESH

Arunachal Pradesh State Transport (APRST)

Table 1: Financial Position of SRTU

	STOCKS	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	***14.67***	***18.03***	***22.14***	***28.38***	***34.61***	***43.66***	***51.81***					
a.	Capital contrinution by state	14.67	18.03	22.14	28.38	34.61	43.66	51.81					
b.	Capital contrinution by centre												
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***												
a.	State loans												
b.	Debentures												
c.	Loans from IDBI												
d.	Loans fron commercial banks												
e.	Loans from LIC												
f.	Public Deposits												
g.	Others												
	Total External Capital (I+II)												
B.	**INTERNAL CAPITAL**												
I	Reserves												
II	Accumulated profit/losses	-9.56	-12.55	-15.60		-28.03	-37.99	-47.01					
	Total Internal Capital (I+II)	***-9.56***	***-12.55***	***-15.60***		***-28.03***	***-37.99***	***-47.01***					
C.	**CAPITAL INVESTED (CI) (A+B)**	***-9.56***	***-12.55***	***-15.60***		***-28.03***	***-37.99***	***-47.01***					
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*	6.46	7.67	9.55		12.01	13.26	14.95					
a	Net value of buses												
b	Net value of other assets												
II	Current Assets	0.32	0.18	0.42		0.98	0.90	0.80					
III	Current Liabilities												
	Capital Employed (CE)(I+II-III)												
E.	***Stock Net Worth (NFA-TOL)***	***6.46***	***7.67***	***9.55***		***12.01***	***13.26***	***14.95***					
F.	***Total Net Worth (CE-TOL)***												
	CHANGES IN STOCKS												
	Change in reserves												
	Change in accumulated profit/losses		-2.99	-3.05			-9.96	-9.02					
	Change in capital invested		-2.99	-3.05			-9.96	-9.02					
	Change in capital employed		0.00	0.00			0.00	0.00					
	Change in Net worth		1.21	1.88			1.25	1.69					

	FLOWS	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**												
a.	Traffic revenue (TR)	2.00	2.96	3.90	3.94	3.85	3.77	4.73	6.08				
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	2.00	2.96	3.90	3.94	3.85	3.77	4.73	6.08				
c.	Non-traffic revenue (NTR)	0.10	0.16	0.21	0.20	0.15	0.08	0.15	0.20				
d.	***Total Revenue (TTR) (a+c)***	***2.10***	***3.12***	***4.11***	***4.14***	***4.00***	***3.85***	***4.88***	***6.28***				
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***2.10***	***3.12***	***4.11***	***4.14***	***4.00***	***3.85***	***4.88***	***6.28***				
f.	Burden due to concession in fare												
B.	**COST**												
a.	***Personnel Cost***												
b.	***Material Cost***												
	Direct Cost (DC)(a+b)												
c.	***Depreciation (I+II) of which***												
I.	Depreciation on buses												
II.	Depreciation on other assets												
d.	***Interest***												
I	Interest to State Govt.	1.51	2.37	3.42	5.11	6.41	8.49	10.95					
II	Interest on Borrowings												
	Net Cost (NC) =TC-PT	***4.69***	***6.10***	***7.16***	***6.77***	***7.07***	***9.38***	***8.76***	***14.12***				
e.	***Taxes (I+II) of which***												
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***												
(i)	Motor Vehicle Tax												
(ii)	Special Road Tax/Other taxes on buses												
(iii)	Misc. & other Taxes												
II.	***Passenger Tax (PT)***												
f.	***Misc. and other costs***												
	Total Cost (TC) (a+b+c+d+e+f)	***4.69***	***6.10***	***7.16***	***6.77***	***7.07***	***9.38***	***8.76***	***14.12***				
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	2.00	2.96	3.90	3.94	3.85	3.77	4.73	6.08				
b	Gross Margin (GM) = (TTR* - DC)	2.10	3.12	4.11	4.14	4.00	3.85	4.88	6.28				
c	Net Margin (NM) = TTR -TC =TTR*-NC	-2.59	-2.98	-3.05	-2.63	-3.07	-5.53	-3.88	-7.84				
d	Profit after interest =Profit before tax (NM+NPT)	-2.59	-2.98	-3.05	-2.63	-3.07	-5.53	-3.88	-7.84				
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)												
b	Cost Recovery Ratio = (TR*/NC)	42.64	48.52	54.47	58.20	54.46	40.19	54.00	43.06				
c	Return on capital invested ((NM+Int)/CI)												
d	Return on capital employed ((NM+Int)/CE)												

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1990-91**	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Capital Contribution from the State Govt.	14.67	18.03	22.14	28.38	34.61	43.66	51.81					
2	State Debt Outstanding												
4	***State Investment in SRTUs (1+2+3)***	***14.67***	***18.03***	***22.14***	***28.38***	***34.61***	*43.66*	*51.81*					
	FLOWS												
5	Increase in State Investment		3.36	4.11	6.24	6.24	9.05	8.15					
6	Grants/Subsidies received from Govt.												
7	***Total receipts by SRTU (5+6) from State***		***3.36***	***4.11***	***6.24***	***6.24***	***9.05***	***8.15***					
8	Interest received by state govt	1.51	2.37	3.42	5.11	6.41	8.49	10.95					
9	Taxes received by state govt (only NPT)												
10	***Total Receipts by the state (8+9) from STRU***	***1.51***	***2.37***	***3.42***	***5.11***	***6.41***	***8.49***	***10.95***					
11	Burden on SRTUs due to Concessions												
12	***Effective Receipts by the state (10+11) from STRU***	***1.51***	***2.37***	***3.42***	***5.11***	***6.41***	***8.49***	***10.95***					
13	***Net Flow from State to SRTU (7-12)***		***0.99***	***0.69***	***1.13***	***-0.18***	***0.56***	***-2.80***					
14	Passenger Tax (PT)												

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1 Average No. Buses held	152	149	150	150	153	150	150	134	124	126	
2 Average No. of Buses on Road	114	119	120	120	122	120	120	107	90	100	
3 Fleet Utilisation (%)	75.00	79.90	80.00	80.00	79.70	80.00	80.00	79.90	72.60	79.40	
4 Employment	1239	1148	1148	1114	1114	1114	1072	1063	1078		
5 Effc. Kms. Operated (Cr.)	0.36	0.38	0.38	0.32	0.32	0.32	0.34	0.33	0.32	0.30	
6 Km/Bus on road/Day	85.30	87.50	86.80	73.10	71.90	73.10	78.40	83.80	97.40	82.00	
7 Bus Staff Ratio per bus on road	10.87	9.65	9.57	9.28	9.13	9.28	8.93	9.93	11.98		
8 Occupancy Ratio (%)	36.78	128.57	51.05	50.98	50.89	50.89	52.36	47.68	45.34	43.00	
9 Fuel Consumption KMPL (HSD)	3.30	3.30	3.30	3.30	3.30	3.30	3.28	3.24	3.00	3.00	
10 Average Age of Fleet (in years)											

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	17.82	18.93	20.04	21.14	22.25	23.36
2 Subsidies/Reimbursement from the state (S)						
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	17.82	18.93	20.04	21.14	22.25	23.36
4 Interest received by the State (Int.)	23.95	25.65	27.34	29.04	30.74	32.44
5 Non Passenger Taxes received by the State (NPT)						
6 Total Receipts by the State from the STRU (R_{state})(4+5)	23.95	25.65	27.34	29.04	30.74	32.44
7 Burden on the SRTU due to Concessions (B)						
8 Effective Receipts by the State (ER_{state})(6+7)	23.95	25.65	27.34	29.04	30.74	32.44
9 Net Flow from the State (NF_{state}) (3-8)	-6.13	-6.72	-7.31	-7.90	-8.49	-9.08

ASSAM

Assam State Transport Corporation (ASMSTC)

Table 1: Financial Position of SRTU

	STOCKS	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A.	**EXTERNAL CAPITAL**								
	Total Capital Contribution (TCC)								
I.	***Equity Capital***	**167.73**	**167.73**	**167.73**	**169.23**	**169.23**	**169.23**	**169.23**	
a.	State Government	157.47	157.47	157.47	157.47	157.47	157.47	157.47	
b.	Central Government	10.26	10.26	10.26	10.26	10.26	10.26	10.26	
c.	NEC Fund				1.50	1.50	1.50	1.50	
II.	**Borrowed Capital**	**73.30**	**88.14**	**103.23**	**115.35**	**126.45**	**145.11**	**171.41**	
a.	State Govt. Plan Fund	28.55	35.89	43.48	47.10	47.60	56.07	72.37	
b.	State Govt. Non-Plan Fund	44.52	52.02	59.52	68.02	78.62	88.81	98.81	
c.	Grants-in-aid	0.23	0.23	0.23	0.23	0.23	0.23	0.23	
d.	State Govt. Contribution N.E.C. Fund			0.50	1.50	1.50	4.50	7.60	
e.	Others	0.40	39.73	33.32	21.20	4.04	0.00	0.00	
	Total External Capital (I+II)	**241.03**	**255.87**	**270.96**	**284.58**	**295.68**	**314.34**	**340.64**	
B.	**INTERNAL CAPITAL**								
I	Reserves and Provisions	23.45	27.78	31.28	35.74	43.10	55.39		
II	Accumulated profit/losses	231.98	257.49	288.66	325.70	356.48	387.03		
	Total Internal Capital (I+II)	**255.43**	**285.27**	**319.94**	**361.44**	**399.58**	**442.42**		
C.	**CAPITAL INVESTED (CI) (A+B)**	**496.46**	**541.14**	**590.90**	**646.02**	**695.26**	**756.76**		
D.	**CAPITAL EMPLOYED (CE)**								
I	*Net fixed assets (NFA) of which*	21.58	22.90	19.60	16.16	13.33	11.64		
a	Net value of buses	17.63	19.10	15.90	12.58	9.95	7.21		
b	Net value of other assets	3.95	3.80	3.70	3.58	3.38	4.43		
II	Current Assets	11.48	11.27	9.54	7.35	9.80	13.27		
III	Current Liabilities	15.58	23.16	30.67	45.57	56.53	62.99		
	Capital Employed (CE)(I+II-III)	**14.05**	**15.43**	**13.76**	**12.39**	**6.91**	**2.80**		
E.	***Stock Net Worth (NFA-TOL)***	**-51.72**	**-65.24**	**-83.63**	**-99.19**	**-113.12**	**-133.47**		
F.	***Total Net Worth (CE-TOL)***	**-59.25**	**-72.71**	**-89.47**	**-102.96**	**-119.54**	**-142.31**		
	CHANGES IN STOCKS								
	Change in reserves		4.33	3.50	4.46	7.36	12.29		
	Change in accumulated profit/losses		25.51	31.17	37.04	30.78	30.55		
	Change in capital invested		44.68	49.76	55.12	49.24	61.50		
	Change in capital employed		1.38	-1.67	-1.37	-5.48	-4.11		
	Change in Net worth		-13.52	-18.39	-15.56	-13.93	-20.35		

	FLOWS	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A.	**REVENUE**								
a.	Traffic revenue (TR)	19.86	18.96	16.44	13.47	7.30	13.10	15.70	19.18
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	19.74	18.96	16.44	13.47	7.05	12.85	15.45	19.18
c.	Non-traffic revenue (NTR)	2.56	3.73	2.48	1.94	2.62	1.81	2.11	1.34
d.	***Total Revenue (TTR) (a+c)***	**22.42**	**22.69**	**18.92**	**15.41**	**9.92**	**14.91**	**17.81**	**20.52**
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	**22.30**	**22.69**	**18.92**	**15.41**	**9.67**	**14.66**	**17.56**	**20.52**
f.	Burden due to concession in fare		0.001	0.002	0.002	0.003	0.004	0.004	0.004
B.	**COST**								
a.	***Personnel Cost***	**22.88**	**23.48**	**24.13**	**25.90**	**25.20**	**23.35**	**18.50**	**21.60**
b.	***Material Cost***	**12.11**	**10.82**	**8.65**	**8.97**	**5.91**	**9.93**	**11.25**	**5.40**
	Direct Cost (DC)(a+b)	34.99	34.30	32.78	34.87	31.11	33.28	29.75	27.00
c.	***Depreciation (I+II) of which***	**3.80**	**5.08**	**5.53**	**4.77**	**4.04**	**3.30**	**3.20**	**3.17**
I.	Depreciation on buses	3.56	4.83	5.30	4.55	3.84	3.10	3.00	3.00
II.	Depreciation on other assets	0.24	0.25	0.23	0.22	0.20	0.20	0.20	0.17
d.	***Interest***	**4.21**	**6.27**	**7.79**	**8.83**	**9.87**	**9.56**	**11.21**	
I	Interest to State Govt.	3.82	5.02	5.99	6.80	9.85	8.54	10.71	
II	Interest on Borrowings	0.39	1.25	1.80	2.03	0.02	1.02	0.50	
	Net Cost (NC) =TC-PT	*48.84*	*50.52*	*50.08*	*52.43*	*48.47*	*50.28*	*48.04*	*34.97*
e.	***Taxes (I+II) of which***	**0.31**	**0.05**	**0.02**	**0.02**	**0.28**	**0.26**	**0.26**	
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	**0.19**	**0.05**	**0.02**	**0.02**	**0.03**	**0.01**	**0.01**	
(i)	Motor Vehicle Tax	0.19	0.05	0.02	0.02	0.03	0.01	0.01	
(ii)	Special Road Tax/Other taxes on buses								
iii)	Misc. & other Taxes								
II.	***Passenger Tax (PT)***	0.12	0.00	0.00	0.00	0.25	0.25	0.25	
f.	***Misc. and other costs***	**5.65**	**4.82**	**3.96**	**3.94**	**3.42**	**4.13**	**3.87**	**4.80**
	Total Cost (TC) (a+b+c+d+e+f)	*48.96*	*50.52*	*50.08*	*52.43*	*48.72*	*50.53*	*48.29*	*34.97*
C.	**MARGINS**								
a	Operating Surplus (TR* - DC)	-15.25	-15.34	-16.34	-21.40	-24.06	-20.43	-14.30	-7.82
b	Gross Margin (GM) = (TTR* - DC)	-12.69	-11.61	-13.86	-19.46	-21.44	-18.62	-12.19	-6.48
c	Net Margin (NM) = TTR -TC =TTR*-NC	-26.54	-27.83	-31.16	-37.02	-38.80	-35.62	-30.48	-14.45
d	Profit after interest =Profit before tax (NM+NPT)	-26.35	-27.78	-31.14	-37.00	-38.77	-35.61	-30.47	-14.45
D.	**RATIOS**								
a	Operating Ratio = (DC/TR*)	177.25	180.91	199.39	258.87	441.28	258.99	192.56	
b	Cost Recovery Ratio = (TR*/NC)	0.40	0.38	0.33	0.26	0.15	0.26	0.32	
c	Return on capital invested ((NM+Int)/CI)	-4.50	-3.98	-3.95	-4.36	-4.16	-3.44		
d	Return on capital employed ((NM+Int)/CE)	-158.93	-139.73	-169.84	-227.52	-418.67	-930.57		

Table 2: Fiscal Aspects in relation to the State Govt.								
	STOCKS	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Equity Capital Contribution from the State Govt.	157.47	157.47	157.47	157.47	157.47	157.47	157.47
2	State Govt. Plan Fund	28.55	35.89	43.48	47.10	47.60	56.07	72.37
3	State Govt. Non-Plan Fund	44.52	52.02	59.52	68.02	78.62	88.81	98.81
4	Grants-in-aid	0.23	0.23	0.23	0.23	0.23	0.23	0.23
5	State Govt. Contribution N.E.C. Fund			0.50	1.50	1.50	4.50	7.60
6	***State Investment in SRTUs (1+2+3+4)***	**230.77**	**245.61**	**261.20**	274.32	285.42	307.08	**336.48**
	FLOWS							
7	Increase in State Investment		14.84	15.59	13.12	11.10	21.66	29.40
8	Grants/Subsidies received from Govt.							
9	***Total receipts by SRTU (7+8) from State***		**14.84**	**15.59**	**13.12**	**11.10**	**21.66**	**29.40**
10	Interest received by state govt	3.82	5.02	5.99	6.80	9.85	8.54	10.71
11	Taxes received by state govt (only NPT)	0.19	0.05	0.02	0.02	0.03	0.01	0.01
12	***Total Receipts by the state (10+11) from STRU***	4.01	5.07	6.01	6.82	9.88	8.55	10.72
13	Burden on SRTUs due to Concessions	0.001	0.001	0.002	0.002	0.003	0.004	0.004
14	***Effective Receipts by the state (12+13) from STRU***	**4.01**	**5.07**	**6.01**	**6.82**	**9.88**	**8.55**	**10.73**
15	***Net Flow from State to SRTU (9-14)***		**9.77**	**9.58**	**6.30**	**1.22**	**13.11**	**18.67**
17	Passenger Tax (PT)	0.12	0.00	0.00	0.00	0.25	0.25	0.25
Table 3: Physical Parameters		**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Average No. Buses held	658	612	527	454	447	388	350
2	Average No. of Buses on Road	364	335	258	198	110	154	252
3	Fleet Utilisation (%)	55.32	54.74	48.96	43.61	24.61	39.69	72.00
4	Employment	5752	5615	5415	5292	5129	5109	2848
5	Effc. Kms. Operated (Cr.)	2.87	2.66	2.07	1.55	0.86	1.12	
6	Km/Bus on road/Day	216.02	217.54	219.82	214.47	199.67	199.25	173.00
7	Bus Staff Ratio per bus on road	15.80	16.76	20.98	26.73	44.00	33.00	15.00
8	Occupancy Ratio (%)	70.00	70.00	54.00	59.00	65.00	66.00	71.53
9	Fuel Consumption KMPL (HSD)			3.87	3.85	3.44	3.75	4.00
10	Average Age of Fleet					8	8	8
Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10								
			2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)		29.06	31.60	34.15	36.69	39.23	41.77
2	Subsidies/Reimbursement from the state (S)							
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)		29.06	31.60	34.15	36.69	39.23	41.77
4	Interest received by the State (Int.)		12.85	13.97	15.09	16.21	17.33	18.45
5	Non Passenger Taxes received by the State (NPT)		0.00	0.00	0.00	0.00	0.00	0.00
6	Total Receipts by the State from the STRU (R_{state})(4+5)		12.86	13.98	15.09	16.21	17.33	18.45
7	Burden on the SRTU due to Concessions (B)		0.005	0.006	0.007	0.007	0.008	0.009
8	Effective Receipts by the State (ER_{state})(6+7)		12.86	13.98	15.10	16.22	17.34	18.46
9	Net Flow from the State (NF_{state}) (3-8)		16.20	17.62	19.04	20.47	21.89	23.31

BIHAR

Bihar State Road Transport Corporation (BSRTC)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**EXTERNAL CAPITAL**											
I.	***Total Capital Contribution (TCC) (a+b)***	***92.50***	***95.21***	***95.20***	***101.28***	***101.28***	***101.28***	***101.28***	***101.28***	***101.28***	***101.28***	***101.28***
a.	Capital contrinution by state	72.05	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76
b.	Capital contrinution by centre	20.45	20.45	20.44	26.52	26.52	26.52	26.52	26.52	26.52	26.52	26.52
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***27.40***	***24.12***	***24.12***	***24.12***	***29.21***	***36.57***	***37.67***	***174.23***	***68.53***		
a.	State loans											
b.	Debentures											
c.	Loans from IDBI											
d.	Loans fron commercial banks	9.36	9.36	9.36	9.36	9.36			9.36			
e.	Loans from LIC								28.34			
f.	Public Deposits											
g.	Others	18.04	14.76	14.76	14.76	19.85	36.57	37.67	136.53	68.53		
	Total External Capital (I+II)	***119.90***	***119.33***	***119.32***	***125.40***	***130.49***	***137.85***	***138.95***	***275.51***	***169.81***		
B.	**INTERNAL CAPITAL**											
I	Reserves	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30		
II	Accumulated profit/losses	-263.52	-307.43	-224.14	-274.43	-312.80	-363.41	-401.85	-384.83	-455.60		
	Total Internal Capital (I+II)	**-263.22**	**-307.13**	**-223.84**	**-274.13**	**-312.50**	**-363.11**	**-401.55**	**-384.53**	**-455.30**		
C.	***CAPITAL INVESTED (CI) (A+B)***	***-143.32***	***-187.80***	***-104.52***	***-148.73***	***-182.01***	***-225.26***	***-262.60***	***-109.02***	***-285.49***		
D.	**CAPITAL EMPLOYED (CE)**											
I	*Net fixed assets (NFA) of which*	44.19	52.42	52.77	56.99	61.20	7.24	10.28	11.12	9.11		
a	Net value of buses								11.12			
b	Net value of other assets											
II	Current Assets								82.67			
III	Current Liabilities	114.85	104.52	190.82	209.11	271.58	232.52	272.92	202.82	294.61		
	Capital Employed (CE)(I+II-III)	***-70.66***	***-52.10***	***-138.05***	***-152.13***	***-210.38***	***-225.28***	***-262.64***	***-109.03***	***-285.50***		
E.	***Stock Net Worth (NFA-TOL)***	***16.79***	***28.30***	***28.65***	***32.87***	***31.99***	***-29.33***	***-27.39***	***-163.11***	***-59.42***		
F.	***Total Net Worth (CE-TOL)***	***-98.06***	***-76.22***	***-162.17***	***-176.25***	***-239.59***	***-261.85***	***-300.31***	***-283.26***	***-354.03***		
	CHANGES IN STOCKS											
	Change in reserves		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	Change in accumulated profit/losses		-43.91	83.29	-50.29	-38.37	-50.61	-38.44	17.02	-70.77		
	Change in capital invested		-44.48	83.28	-44.21	-33.28	-43.25	-37.34	153.58	-176.47		
	Change in capital employed		18.56	-85.95	-14.08	-58.26	-14.90	-37.36	153.61	-176.47		
	Change in Net worth		11.51	0.35	4.22	-0.88	-61.32	1.94	-135.72	103.69		

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**											
a.	Traffic revenue (TR)	22.30	21.34	18.95		11.82	14.45		8.73	10.29	14.39	18.38
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	21.44	20.09	17.86		11.82	14.45		8.73	10.22	14.25	18.20
c.	Non-traffic revenue (NTR)	1.48	0.77	12.52		8.08	4.62		1.66	5.49	5.62	5.24
d.	***Total Revenue (TTR) (a+c)***	***23.78***	***22.11***	***31.47***		***19.90***	***19.07***		***10.39***	***15.78***	***20.01***	***23.62***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***22.92***	***20.86***	***30.38***		***19.90***	***19.07***		***10.39***	***15.71***	***19.87***	***23.44***
f.	Burden due to concession in fare			1.15								
B.	**COST**											
a.	***Personnel Cost***	***27.71***	***32.58***	***30.39***		***32.49***	***31.37***		***32.62***	***34.32***	***32.47***	***33.29***
b.	***Material Cost***	***10.41***	***12.31***	***11.92***		***6.75***	***5.28***		***3.38***	***3.75***	***6.38***	***8.70***
	Direct Cost (DC)(a+b)	38.12	44.89	42.31		39.24	36.65		36.00	38.07	38.85	41.99
c.	***Depreciation (I+II) of which***	***4.57***	***3.60***	***3.11***		***2.53***	***1.61***		***0.99***	***0.64***	***1.37***	***1.94***
I.	Depreciation on buses	4.45	3.48	2.99								
II.	Depreciation on other assets	0.12	0.12	0.12								
d.	***Interest***	***13.35***	***13.37***	***13.71***		***12.39***	***12.12***	***14.27***	***16.14***	***23.00***	***24.53***	***25.71***
I	Interest to State Govt.	11.30	11.32	11.66		12.39	12.12	11.87	11.56			
II	Interest on Borrowings	0.77	0.77	0.77		0.00	0.00					
	Net Cost (NC) =TC-PT	***58.10***	***64.33***	***61.46***		***58.30***	***54.86***		***58.76***	***66.19***	***71.34***	***75.93***
e.	***Taxes (I+II) of which***	***1.62***	***2.39***	***2.17***		***1.18***	***0.88***		***0.18***	***0.78***	***0.83***	***0.85***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***0.76***	***1.14***	***1.08***		***1.18***	***0.88***		***0.18***	***0.71***	***0.69***	***0.67***
(i)	Motor Vehicle Tax	0.24	0.34	0.36		0.22	0.18			0.39	0.29	0.22
(ii)	Special Road Tax/Other taxes on buses	0.52	0.00	0.00		0.58	0.46			0.32	0.00	0.00
(iii)	Misc. & other Taxes	0.00	0.80	0.72		0.38	0.24			0.00	0.40	0.45
II.	***Passenger Tax (PT)***	***0.86***	***1.25***	***1.09***		***0.00***	***0.00***		***0.00***	***0.07***	***0.14***	***0.18***
f.	***Misc. and other costs***	***1.30***	***1.33***	***1.25***		***2.96***	***3.60***		***5.45***	***3.77***	***5.90***	***5.62***
	Total Cost (TC) (a+b+c+d+e+f)	***58.96***	***65.58***	***62.55***		***58.30***	***54.86***		***58.76***	***66.26***	***71.48***	***76.11***
C.	**MARGINS**											
a	Operating Surplus (TR* - DC)	-16.68	-24.80	-24.45		-27.42	-22.20		-27.27	-27.85	-24.60	-23.79
b	Gross Margin (GM) = (TTR* - DC)	-15.20	-24.03	-11.93		-19.34	-17.58		-25.61	-22.36	-18.98	-18.55
c	Net Margin (NM) = TTR -TC =TTR*-NC	-35.18	-43.47	-31.08		-38.40	-35.79		-48.37	-50.48	-51.47	-52.49
d	Profit after interest =Profit before tax (NM+NPT)	-34.42	-42.33	-30.00		-37.22	-34.91		-48.19	-49.77	-50.78	-51.82
D.	**RATIOS**											
a	Operating Ratio = (DC/TR*)	177.80	223.44	236.90		331.98	253.63		412.37	372.50	272.63	230.71
b	Cost Recovery Ratio = (TR*/NC)	36.90	31.23	29.06		20.27	26.34		14.86	15.44	19.97	23.97
c	Return on capital invested ((NM+Int)/CI)											
d	Return on capital employed ((NM+Int)/CE)											

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Capital Contribution from the State Govt.	72.05	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76	74.76
2	State Debt Outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	***State Investment in SRTUs (1+2)***	*72.05*	*74.76*	*74.76*	*74.76*	*74.76*	*74.76*	*74.76*	*74.76*	*74.76*	*74.76*	*74.76*
	FLOWS											
4	Increase in State Investment		2.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Grants/Subsidies received from Govt.		25.50	8.61	9.50	10.81	13.60	10.00	66.00	4.84		
6	***Total receipts by SRTU (4+5) from State***		***28.21***	***8.61***	***9.50***	***10.81***	***13.60***	***10.00***	*66.00*	*4.84*	***0.00***	***0.00***
7	Interest received by state govt	11.30	11.32	11.66	12.03	12.39	12.12	11.87	11.56			
8	Taxes received by state govt (only NPT)	0.76	1.14	1.08	1.13	1.18	0.88	0.53	0.18	0.71	0.69	0.67
9	***Total Receipts by the state (7+8) from STRU***	*12.06*	*12.46*	*12.74*	*13.16*	*13.57*	*13.00*	*12.40*	*11.74*	*0.71*	*0.69*	*0.67*
10	Burden on SRTUs due to Concessions			1.15								
11	***Effective Receipts by the state (9+10) from STRU***	*12.06*	*12.46*	*13.89*	*13.16*	*13.57*	*13.00*	*12.40*	*11.74*	*0.71*	*0.69*	*0.67*
12	***Net Flow from State to SRTU (6-11)***		*15.75*	*-5.28*	*-3.66*	*-2.76*	*0.60*	*-2.40*	*54.26*	*4.13*	*-0.69*	*-0.67*
13	Passenger Tax (PT)	0.86	1.25	1.09		0.00	0.00		0.00	0.07	0.14	0.18

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1 Average No. Buses held	1525	1535	1474	1455	1415	1370	1370	1408	1410		1540
2 Average No. of Buses on Road	498	463	421	353	252	202	122	122	102		178
3 Fleet Utilisation (%)	32.66	30.16	28.56	24.26	17.81	14.74	8.91	8.66	7.23		11.56
4 Employment	11018	10324			8698	8069	8684	7773	6717		5578
5 Effc. Kms. Operated (Cr.)	4.15	3.92	3.59	2.33	1.73	1.43	0.82	0.85	0.72		1.52
6 Km/Bus on road/Day		232.00	233.90	181.00	188.10	194.80	184.00	191.40	192.90		234.80
7 Bus Staff Ratio per bus on road	18.42	22.30	24.01		35.07	39.95	71.18	67.01	63.66		31.34
8 Occupancy Ratio (%)	58.50	62.00	58.14	73.00	68.00	66.00	68.00	77.00	75.99		16.55
9 Fuel Consumption KMPL (HSD)	3.88	3.91	3.61	3.77	3.78	3.78	3.78	3.73	3.76		4.02
10 Average Age of Fleet (in years)		7.50	8.28	8.28	8.28						

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10							
		2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	16.70	17.38	18.07	18.76	19.45	20.14
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	16.70	17.38	18.07	18.76	19.45	20.14
4	Interest received by the State (Int.)	12.48	12.53	12.58	12.63	12.68	12.73
5	Non Passenger Taxes received by the State (NPT)	0.14	0.12	0.09	0.08	0.06	0.05
6	Total Receipts by the State from the STRU (R_{state})(4+5)	12.62	12.64	12.67	12.71	12.74	12.78
7	Burden on the SRTU due to Concessions (B)						
8	Effective Receipts by the State (ER_{state})(6+7)	12.62	12.64	12.67	12.71	12.74	12.78
9	Net Flow from the State (NF_{state}) (3-8)	4.08	4.74	5.40	6.05	6.70	7.35

GOA

Kadamba Transport Corporation Limited (KDTC)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***		***16.88***	***17.51***	***17.69***	***18.19***	***19.74***	***21.11***	***22.94***	***22.94***	***22.94***	***22.94***	***22.93***
a.	Equity Shares of State Government		16.88	17.51	17.69	18.19	19.54	20.90	22.91	22.91	22.91	22.91	22.91
b.	Capital grant CHOG(M)		0.00	0.00	0.00	0.00	0.20	0.21	0.03	0.03	0.03	0.03	0.02
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***		***3.12***	***3.60***	***4.41***	***4.16***	***4.95***	***4.16***	***6.00***	***13.12***	***16.40***	***17.84***	***18.60***
a.	Loans from IDBI		1.34	1.54	0.89	0.44	0.95	1.20	0.89	0.61	0.34	0.06	0.00
b.	Term loan from Corporation Bank						0.29	0.18	0.06	0.00	0.00	0.00	
c.	Term loan from Goa State Co-operative Bank				0.97	3.26	3.67	2.77	2.26	9.48	12.87	2.62	2.62
d.	Term loan from Punjab National Bank								0.78	0.00	0.00	0.00	
e.	Loans from PCRA						0.02	0.01	0.01	0.00	0.00	0.00	
f.	EDC/IDC								2.00	3.03	3.19	0.01	0.01
g.	GSIDC							0.00	0.00	0.00		15.00	15.97
h.	Others		1.78	2.06	2.55	0.46	0.02		0.78			0.00	
	Total External Capital (I+II)		***20.00***	***21.11***	***22.10***	***22.35***	***24.69***	***25.27***	***28.94***	***36.06***	***39.34***	***40.78***	***41.53***
B.	**INTERNAL CAPITAL**												
I	Reserves/Provisions						3.86	4.18	6.56	7.25	8.10	9.44	10.50
II	Accumulated profit/losses		-3.67	-5.92	-9.88	-14.24	-18.37	-20.89	-24.26	-27.70	-31.49	-35.72	-39.49
	Total Internal Capital (I+II)		***-3.67***	***-5.92***	***-9.88***	***-14.24***	***-14.51***	***-16.71***	***-17.70***	***-20.45***	***-23.39***	***-26.28***	***-28.99***
C.	***CAPITAL INVESTED (CI) (A+B)***		***16.33***	***15.19***	***12.22***	***8.11***	***10.18***	***8.56***	***11.24***	***15.61***	***15.95***	***14.50***	***12.54***
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*		9.72	11.25	10.69	9.93	8.50	8.85	9.08	13.95	16.71	14.00	12.69
a	Net value of buses		4.99	6.07	5.70	5.17	3.94		4.37		12.58	9.97	8.89
b	Net value of other assets		4.73	5.18	4.99	4.76	4.56	8.85	4.71		4.13	4.03	3.80
II	Current Assets		6.80	5.10	3.76	4.41	4.39	4.22	3.31	5.82	5.50	3.95	3.76
III	Current Liabilities		1.82	2.06	3.16	6.76	7.45	7.34	7.94	12.74	14.54	13.50	15.45
	Capital Employed (CE)(I+II-III)		***14.70***	***14.29***	***11.29***	***7.58***	***5.44***	***5.73***	***4.45***	***7.03***	***7.67***	***4.45***	***1.00***
E.	***Stock Net Worth (NFA-TOL)***		***6.60***	***7.65***	***6.28***	***5.77***	***3.55***	***4.69***	***3.08***	***0.83***	***0.31***	***-3.84***	***-5.91***
F.	***Total Net Worth (CE-TOL)***		***11.58***	***10.69***	***6.88***	***3.42***	***0.49***	***1.57***	***-1.55***	***-6.09***	***-8.73***	***-13.39***	***-17.60***
	CHANGES IN STOCKS												
	Change in reserves		0.00	0.00	0.00	0.00	3.86	0.32	2.38	0.69	0.85	0.00	1.06
	Change in accumulated profit/losses		-3.67	-2.25	-3.96	-4.36	-4.13	-2.52	-3.37	-3.44	-3.79	-4.23	-3.77
	Change in capital invested		16.33	-1.14	-2.97	-4.11	2.07	-1.62	2.68	4.37	0.34	-1.45	-1.96
	Change in capital employed		14.70	-0.41	-3.00	-3.71	-2.14	0.29	-1.28	2.58	0.64	-3.22	-3.45
	Change in Net worth		6.60	1.05	-1.37	-0.51	-2.22	1.14	-1.61	-2.25	-0.52	-4.15	-2.07

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	11.65	13.59	14.55	15.27	15.82	15.26	17.15	18.09	25.75	30.04	31.69	32.42
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	11.21	12.93	13.92	14.50	14.97	14.57	16.67	17.73	25.50	29.64	30.86	31.54
c.	Non-traffic revenue (NTR)	0.87	0.85	0.91	0.92	0.73	0.80	0.60	2.34	3.39	5.38	7.03	9.30
d.	***Total Revenue (TTR) (a+c)***	***12.52***	***14.44***	***15.46***	***16.19***	***16.55***	***16.06***	***17.75***	***20.43***	***29.14***	***35.42***	***38.72***	***41.72***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***12.08***	***13.78***	***14.83***	***15.42***	***15.70***	***15.37***	***17.27***	***20.07***	***28.89***	***35.02***	***37.89***	***40.84***
f.	Burden due to concession in fare								1.04		1.14	1.67	1.75
B.	**COST**												
a.	***Personnel Cost***	***5.39***	***6.15***	***7.25***	***8.12***	***9.12***	***9.82***	***9.03***	***13.19***	***14.72***	***17.78***	***19.79***	***21.3***
b.	***Material Cost***	***4.99***	***6.13***	***7.53***	***8.31***	***7.85***	***6.60***	***5.77***	***7.24***	***9.78***	***15.04***	***16.31***	***17.47***
	Direct Cost (DC)(a+b)	10.38	12.28	14.78	16.43	16.97	16.42	14.80	20.43	24.50	32.82	36.10	38.77
c.	***Depreciation (I+II) of which***	***1.08***	***1.10***	***1.65***	***1.78***	***1.80***	***1.80***	***1.86***	***1.54***	***2.16***	***3.00***	***3.07***	***3.08***
I.	Depreciation on buses	0.91		1.42	1.55	1.57	1.57		1.30		2.78	2.82	2.83
II.	Depreciation on other assets	0.17		0.23	0.23	0.23	0.23		0.24		0.22	0.25	0.25
d.	***Interest***	***0.16***	***0.26***	***0.22***	***0.29***	***0.61***	***0.96***	***0.84***	***0.71***	***1.74***	***2.38***	***2.28***	***2.12***
I	Interest to State Govt.	0.16											
II	Interest on Borrowings	0.00		0.22	0.29	0.61			0.71		2.38	2.28	2.12
	Net Cost (NC) =TC-PT	***12.35***	***14.26***	***17.08***	***19.38***	***20.08***	***19.58***	***18.70***	***23.39***	***29.89***	***38.81***	***42.13***	***44.59***
e.	***Taxes (I+II) of which***	***0.78***	***0.85***	***0.84***	***1.00***	***1.09***	***0.70***	***0.72***	***0.41***	***0.42***	***0.49***	***0.92***	***0.96***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***0.34***	***0.19***	***0.21***	***0.23***	***0.24***	***0.01***	***0.24***	***0.05***	***0.17***	***0.09***	***0.09***	***0.08***
(i)	Motor Vehicle Tax	0.18											
(ii)	Special Road Tax/Other taxes on buses			0.02	0.01	0.01	0.01	0.24	0.01	0.17	0.06		
(iii)	Misc. & other Taxes	0.16	0.19	0.19	0.22	0.23	0.00		0.04		0.03	0.09	0.08
II.	***Passenger Tax (PT)***	***0.44***	***0.66***	***0.63***	***0.77***	***0.85***	***0.69***	***0.48***	***0.36***	***0.25***	***0.40***	***0.83***	***0.88***
f.	***Misc. and other costs***	***0.39***	***0.43***	***0.22***	***0.65***	***0.46***	***0.39***	***0.96***	***0.66***	***1.32***	***0.52***	***0.59***	***0.54***
	Total Cost (TC) (a+b+c+d+e+f)	***12.79***	***14.92***	***17.71***	***20.15***	***20.93***	***20.27***	***19.18***	***23.75***	***30.14***	***39.21***	***42.96***	***45.47***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	0.83	0.65	-0.86	-1.93	-2.00	-1.85	1.87	-2.70	1.00	-3.18	-5.24	-7.23
b	Gross Margin (GM) = (TTR* - DC)	1.70	1.50	0.05	-1.01	-1.27	-1.05	2.47	-0.36	4.39	2.20	1.79	2.07
c	Net Margin (NM) = TTR -TC =TTR*-NC	-0.27	-0.48	-2.25	-3.96	-4.38	-4.21	-1.43	-3.32	-1.00	-3.79	-4.24	-3.75
d	Profit after interest =Profit before tax (NM+NPT)	0.07	-0.29	-2.04	-3.73	-4.14	-4.20	-1.19	-3.27	-0.83	-3.70	-4.15	-3.67
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	92.60	94.97	106.18	113.31	113.36	112.70	88.78	115.23	96.08	110.73	116.98	122.92
b	Cost Recovery Ratio = (TR*/NC)	90.77	90.67	81.50	74.82	74.55	74.41	89.14	75.80	85.31	76.37	73.25	70.73
c	Return on capital invested ((NM+Int)/CI)		-1.35	-13.36	-30.03	-46.49	-31.93		-23.22		-8.84	-13.52	-13.00
d	Return on capital employed ((NM+Int)/CE)		-1.50	-14.21	-32.51	-49.74	-59.74		-58.65		-18.38	-44.04	-163.00

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.		16.88	17.51	17.69	18.19	19.54	19.54	22.91	22.91	22.91	22.91	22.91
2	State Debt Outstanding												
3	***State Investment in SRTUs (1+2)***		***16.88***	***17.51***	***17.69***	***18.19***	***19.54***	***19.54***	***22.91***	***22.91***	***22.91***	***22.91***	***22.91***
	FLOWS												
4	Increase in State Investment			0.63	0.18	0.50	1.35	0.00	3.37	0.00	0.00	0.00	0.00
5	Grants/Subsidies received from Govt.								1.00	3.00	4.00	5.62	7.56
6	***Total receipts by SRTU (4+5) from State***			*0.63*	*0.18*	*0.50*	*1.35*	*0.00*	*4.37*	*3.00*	*4.00*	*5.62*	*7.56*
7	Interest received by state govt	0.16											
8	Taxes received by state govt (only NPT)	0.34	0.19	0.21	0.23	0.24	0.01	0.24	0.05	0.17	0.09	0.09	0.09
9	***Total Receipts by the state (7+8) from STRU***	*0.50*	*0.19*	*0.21*	*0.23*	*0.24*	*0.01*	*0.24*	*0.05*	*0.17*	*0.09*	*0.09*	*0.09*
10	Burden on SRTUs due to Concessions								1.04	1.09	1.14	1.67	1.75
11	***Effective Receipts by the state (9+10) from STRU***	*0.50*	*0.19*	*0.21*	*0.23*	*0.24*	*0.01*	*0.24*	*1.09*	*1.26*	*1.23*	*1.76*	*1.84*
12	***Net Flow from State to SRTU (6-11)***			*0.42*	*-0.05*	*0.26*	*1.34*	*-0.24*	*3.28*	*1.74*	*2.77*	*3.86*	*5.72*
13	Passenger Tax (PT)	0.44	0.66	0.63	0.77	0.85	0.69	0.48	0.36	0.25	0.40	0.83	0.88

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1 Average No. Buses held	248	277	293	299	302	325	331	320	365	372	372	369
2 Average No. of Buses on Road	211	231	228	223	214	163	184	191	270	285	289	292
3 Fleet Utilisation (%)	85.10	83.40	77.80	74.60	70.90	50.20	55.60	95.30	74.00	76.60	77.70	79.1
4 Employment	1783	1815	1948	1977	1907	1923	1852	1820	1901	1929	1933	1917
5 Effc. Kms. Operated (Cr.)	2.06	2.20	2.14	2.19	2.10	1.81	1.76	1.91	2.59	2.74	2.76	2.77
6 Km/Bus on road/Day	267.48	260.60	257.15	269.06	268.50	304.20	261.80	273.70	262.30	263.30	261.70	259.6
7 Bus Staff Ratio per bus on road	8.20	7.86	8.51	8.63	10.25	11.80	10.07	9.53	7.04	6.77	6.69	6.57
8 Occupancy Ratio (%)	71.37	72.39	74.55	72.28	76.67	126.87	77.46	70.76	65.94	58.66	54.62	55.95
9 Fuel Consumption KMPL (HSD)		3.85	3.81		3.72	3.84	3.65	4.11	4.19	4.14	4.20	4.26
10 Average Age of Fleet			5.85		6.94	6.97		7.18		5.43	6.04	

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2 Subsidies/Reimbursement from the state (S)	6.97	7.78	8.59	9.40	10.21	11.02
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	6.97	7.78	8.59	9.40	10.21	11.02
4 Interest received by the State (Int.)						
5 Non Passenger Taxes received by the State (NPT)	0.07	0.06	0.05	0.05	0.04	0.04
6 Total Receipts by the State from the STRU (R_{state})(4+5)	0.07	0.06	0.05	0.05	0.04	0.04
7 Burden on the SRTU due to Concessions (B)	2.14	2.34	2.54	2.74	2.94	3.14
8 Effective Receipts by the State (ER_{state})(6+7)	2.20	2.40	2.59	2.79	2.98	3.18
9 Net Flow from the State (NF_{state}) (3-8)	4.77	5.38	6.00	6.61	7.23	7.84

	GUJARAT											
	Gujarat State Road Transport Corporation (GSRTC)											
Table 1: Financial Position of SRTU												
STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A. EXTERNAL CAPITAL												
I. **State Government**												
Capital Contribution	290.39	291.82	293.24	295.10	331.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Capital	0	0	0	0	0	331.07	331.07	366.07	391.07	432.68	450.53	464.57
II. Central Governement												
Capital Contribution	98.2	99.38	101.36	101.36	111	16.35	16.35	17.86	17.86	17.86	17.86	17.86
Equity Capital	0	0	0	0	0	106.28	106.28	106.28	106.28	106.28	106.28	106.28
Total Capital Contribution (TCC) (a+b)	***388.59***	***391.20***	***394.60***	***396.46***	***442.07***	***453.70***	***453.70***	***490.21***	***515.21***	***556.82***	***574.67***	***588.71***
II. Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)	*45.61*	*48.67*	*56.15*	*55.40*	*58.92*	*70.76*	*60.85*	*115.13*	*447.57*	*440.31*	*591.87*	*612.99*
b. Public loan/Debentures/Debenture Bonds	3.30	3.30	3.30	3.30	2.20	2.20	2.20	2.20	352.20	352.20	531.11	556.24
c. Loans from IDBI	17.08	16.40	19.92	14.93	8.22	4.76	1.29	0.23	0.00	0.00	0.00	0.00
d. Loans fron commercial banks					0.00	0.19	0.00	48.23	39.93	32.73	22.83	18.83
e. Loans from LIC	25.23	28.97	32.93	37.17	48.50	63.61	57.13	64.30	55.34	55.34	37.90	37.90
f. Loans from HUDCO					0.00	0.00	0.08	0.07	0.05	0.04	0.03	0.02
g. Loan from PCRA					0.00	0.00	0.15	0.10	0.05	0.00	0.00	0.00
Total External Capital (I+II)	***434.20***	***439.87***	***450.75***	***451.86***	***500.99***	***524.46***	***514.55***	***605.34***	***962.78***	***997.13***	**1166.54**	1201.7
B. INTERNAL CAPITAL												
I Reserves/Funds/Provisions	315.63	347.49	385.25	497.90	492.77	582.13	299.49	325.46	337.46	359.55	438.54	485.58
II Accumulated profit/losses	-287.90	-282.87	-306.86	-389.31	-399.53	-472.28	-683.00	-842.67	-1199.96	-1517.92	-1900.65	-1002.67
Total Internal Capital (I+II)	*27.73*	*64.62*	*78.39*	*108.59*	*93.24*	*109.85*	*-383.51*	*-517.21*	*-862.50*	*-1158.37*	*-1462.11*	**-517.09**
C. CAPITAL INVESTED (CI) (A+B)	*461.93*	*504.49*	*529.14*	*560.45*	*594.23*	*634.31*	*131.04*	*88.13*	*100.28*	*-161.24*	*-295.57*	*684.61*
D. CAPITAL EMPLOYED (CE)												
I *Net fixed assets (NFA) of which*	373.78	398.57	387.61	403.78	430.78	447.32	460.08	496.83	664.86	667.63	645.23	638.66
a Net value of buses	311.06	330.80	312.98	323.94	345.41	358.10	367.24	399.90	562.91	560.05	534.94	530.93
b Net value of other assets	62.72	67.77	74.63	79.84	85.37	89.22	92.84	96.93	101.95	107.58	110.29	107.73
II Current Assets	87.94	95.49	140.91	156.52	163.46	181.36	170.94	183.14	283.75	341.60	289.80	431.68
III Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.38	479.06	588.90	833.65	1156.22	1230.60	391.21
Capital Employed (CE)(I+II-III)	***461.72***	***494.06***	***528.52***	***560.30***	***594.24***	***628.30***	***151.96***	***91.07***	***114.96***	***-146.99***	***-295.57***	***679.13***
E. Stock Net Worth (NFA-TOL)	*328.17*	*349.90*	*331.46*	*348.38*	*371.86*	*376.56*	*399.23*	*381.70*	*217.29*	*227.32*	*53.36*	*25.67*
F. Total Net Worth (CE-TOL)	*416.11*	*445.39*	*472.37*	*504.90*	*535.32*	*557.54*	*91.11*	*-24.06*	*-332.61*	*-587.30*	*-887.44*	*66.14*
CHANGES IN STOCKS												
Change in reserves		31.86	37.76	112.65	-5.13	89.36	-282.64	25.97	12.00	22.09	78.99	47.04
Change in accumulated profit/losses		5.03	-23.99	-82.45	-10.22	-72.75	-210.72	-159.67	-357.29	-317.96	-382.73	897.98
Change in capital invested		42.56	24.66	31.31	33.78	40.08	-503.27	-42.91	12.15	-261.52	-134.33	980.18
Change in capital employed		32.34	34.46	31.78	33.94	34.06	-476.34	-60.89	23.89	-261.95	-148.58	974.70
Change in Net worth		21.73	-18.44	16.92	23.48	4.70	22.67	-17.53	-164.41	10.03	-173.96	-27.69

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	470.25	493.31	674.57	661.14	682.51	723.48	827.14	918.03	1034.85	1198.40	1169.31	1271.78
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	392.67	412.26	575.43	560.63	576.77	612.11	697.79	773.48	871.92	1024.96	1000.45	1110.74
c.	Non-traffic revenue (NTR)	45.86	115.01	19.86	19.23	79.73	85.20	34.94	31.37	37.49	50.14	57.35	36.46
d.	***Total Revenue (TTR) (a+c)***	***516.11***	***608.32***	***694.43***	***680.37***	***762.24***	***808.68***	***862.08***	***949.40***	***1072.34***	***1248.54***	***1226.66***	***1308.24***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***438.53***	***527.27***	***595.29***	***579.86***	***656.50***	***697.31***	***732.73***	***804.85***	***909.41***	***1075.10***	***1057.80***	***1147.20***
f.	Burden due to concession in fare	52.46	75.23	52.00	46.00	40.11	45.12	46.13	48.63	53.84	156.43	156.43	149.59
B.	**COST**												
a.	***Personnel Cost***	***204.58***	***238.98***	***253.01***	***286.37***	***308.82***	***341.91***	***457.05***	***428.05***	***638.27***	***589.35***	***606.29***	***573.64***
b.	***Material Cost***	***149.58***	***182.81***	***213.38***	***233.79***	***234.09***	***269.51***	***307.46***	***326.05***	***379.65***	***450.87***	***471.13***	***485.65***
	Direct Cost (DC)(a+b)	354.16	421.79	466.39	520.16	542.91	611.42	764.51	754.10	1017.92	1040.22	1077.42	1059.29
c.	***Depreciation (I+II) of which***	***40.20***	***41.07***	***42.06***	***40.05***	***43.88***	***43.49***	***40.33***	***48.98***	***58.09***	***84.48***	***92.61***	***88.50***
I.	Depreciation on buses	38.39	38.89	39.40	37.08	40.98	40.62	37.84	46.47	55.62	81.59	90.26	86.34
II.	Depreciation on other assets	1.81	2.18	2.66	2.97	2.90	2.87	2.49	2.51	2.47	2.89	2.35	2.16
d.	***Interest***	***13.50***	***16.51***	***33.63***	***34.41***	***20.07***	***25.45***	***32.15***	***46.11***	***70.82***	***112.09***	***130.22***	***64.82***
I	Interest to State Govt.	0.00	0.00	17.64	18.33	0.00	0.00	0.00					
	Interest to Central Government						1.10	1.10	1.10	1.12	1.12	1.12	1.12
II	Interest on Borrowings	7.52	10.37	9.72	9.74	19.87	24.98	31.21	45.01	69.70	110.97	129.10	63.7
	Net Cost (NC) =TC-PT	***436.80***	***515.14***	***602.85***	***657.43***	***685.38***	***770.06***	***943.45***	***961.57***	***1274.27***	***1393.06***	***1441.31***	***1335.20***
e.	***Taxes (I+II) of which***	***84.87***	***88.94***	***106.72***	***108.15***	***113.65***	***119.94***	***138.67***	***153.49***	***172.82***	***184.16***	***179.97***	***171.43***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***7.29***	***7.89***	***7.58***	***7.64***	***7.91***	***8.57***	***9.32***	***8.94***	***9.89***	***10.72***	***11.11***	***10.39***
(i)	Motor Vehicle Tax	5.14	4.86	4.99	4.89	4.55	4.71	5.05	5.09	5.14	5.06	4.90	4.76
(ii)	Special Road Tax/Other taxes on buses	1.44	1.93	2.16	2.13	2.39	3.21	3.63	3.36	3.61	5.05	5.41	4.89
(iii)	Misc. & other Taxes	0.71	1.10	0.43	0.62	0.97	0.65	0.64	0.49	1.14	0.61	0.80	0.74
II.	***Passenger Tax (PT)***	***77.58***	***81.05***	***99.14***	***100.51***	***105.74***	***111.37***	***129.35***	***144.55***	***162.93***	***173.44***	***168.86***	***161.04***
f.	***Misc. and other costs***	***21.65***	***27.88***	***53.19***	***55.17***	***70.61***	***81.13***	***97.14***	***103.44***	***117.55***	***145.55***	***129.95***	***112.2***
	Total Cost (TC) (a+b+c+d+e+f)	***514.38***	***596.19***	***701.99***	***757.94***	***791.12***	***881.43***	***1072.80***	***1106.12***	***1437.20***	***1566.50***	***1610.17***	***1496.24***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	38.51	-9.53	109.04	40.47	33.86	0.69	-66.72	19.38	-146.00	-15.26	-76.97	51.45
b	Gross Margin (GM) = (TTR* - DC)	84.37	105.48	128.90	59.70	113.59	85.89	-31.78	50.75	-108.51	34.88	-19.62	87.91
c	Net Margin (NM) = TTR -TC =TTR*-NC	1.73	12.13	-7.56	-77.57	-28.88	-72.75	-210.72	-156.72	-364.86	-317.96	-383.51	-188.00
d	Profit after interest =Profit before tax (NM+NPT)	9.02	20.02	0.02	-69.93	-20.97	-64.18	-201.40	-147.78	-354.97	-307.24	-372.40	897.99
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	90.19	102.31	81.05	92.78	94.13	99.89	109.56	97.49	116.74	101.49	107.69	95.37
b	Cost Recovery Ratio = (TR*/NC)	89.90	80.03	95.45	85.28	84.15	79.49	73.96	80.44	68.43	73.58	69.41	83.19
c	Return on capital invested ((NM+Int)/CI)	3.30	5.68	4.93	-7.70	-1.48	-7.46	-136.27	-125.51	-293.22			-17.99
d	Return on capital employed ((NM+Int)/CE)	3.30	5.80	4.93	-7.70	-1.48	-7.53	-117.51	-121.46	-255.78			-18.14

Table 2: Fiscal Aspects in relation to the State Govt.	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
STOCKS												
1 Capital Contribution from the State Govt.	290.39	291.82	293.24	295.10	331.07	331.07	331.07	366.07	391.07	432.68	450.53	464.57
2 State Debt Outstanding												
3 State Investment in SRTUs (1+2)	290.39	291.82	293.24	295.10	331.07	331.07	331.07	366.07	391.07	432.68	450.53	464.57
FLOWS												
4 Increase in State Investment		1.43	1.43	1.86	35.97	0.00	0.00	35.00	25.00	41.61	17.85	14.04
5 Grants/Subsidies received from Govt.							45.77	48.63	53.49	156.00	156.00	143.00
6 Total receipts by SRTU (4+5) from State		*1.43*	*1.43*	*1.86*	*35.97*	*0.00*	*45.77*	*83.63*	*78.49*	*197.61*	*173.85*	*157.04*
7 Interest received by state govt	0.00	0.00	17.64	18.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Taxes received by state govt (only NPT)	7.29	7.89	7.58	7.64	7.91	8.57	9.32	8.94	9.89	10.73	8.49	9.63
9 Total Receipts by the state (7+8) from STRU	*7.29*	*7.89*	*25.22*	*25.97*	*7.91*	*8.57*	*9.32*	*8.94*	*9.89*	*10.73*	*8.49*	*9.63*
10 Burden on SRTUs due to Concessions	52.46	75.23	52.00	46.06	40.11	45.12	46.13	48.63	53.84	156.43	156.17	149.59
11 *Effective Receipts by the state (9+10) from STRU*	*59.75*	*83.12*	*77.22*	*72.03*	*48.02*	*53.69*	*55.45*	*57.57*	*63.73*	*167.16*	*164.66*	*159.22*
12 *Net Flow from State to SRTU (6-11)*		*-81.70*	*-75.80*	*-70.17*	*-12.05*	*-53.69*	*-9.68*	*26.06*	*14.76*	*30.45*	*9.19*	*-2.18*
13 Passenger Tax (PT)	77.58	81.05	99.14	100.51	105.74	111.37	129.35	144.55	162.93	173.44	169.45	161.04

Table 3: Physical Parameters	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1 Average No. Buses held	8206	8695	8945	8987	8637	8685	8990	9187	9627	9847	9428	9097
2 Average No. of Buses on Road	6985	7237	7605	7713	7516	7672	7907	8057	8320	8573	8300	7793
3 Fleet Utilisation (%)	85.10	83.20	85.00	85.80	87.00	88.30	88.00	87.70	86.40	87.10	88.00	85.7
4 Employment	55936	57889	59706	58731	55153	55176	57948	59839	60608	61189	59210	58324
5 Effc. Kms. Operated (Cr.)	81.93	85.44	92.60	92.52	92.22	95.76	99.55	103.36	109.90	115.17	109.35	101.99
6 Km/Bus on road/Day	321.30	323.50	333.60	328.60	336.20	342.00	344.90	351.50	360.90	368.10	361.00	358.6
7 Bus Staff Ratio per bus on road	7.68	7.49	7.49	7.48	7.31	7.19	7.13	7.43	7.28	7.13	7.13	7.48
8 Occupancy Ratio (%)	65.17	67.89	54.02	58.83	73.88	77.76	73.82	71.35	65.05	65.40	52.75	67.18
9 Fuel Consumption KMPL (HSD)	5.02	4.99	5.01	4.84	4.84	4.96	5.01	4.99	5.11	5.30	5.30	5.3
10 Average Age of Fleet			4.63									

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
Gujarat	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1 Increase in State Investment (ΔI)	26.80	27.81	28.82	29.83	30.84	31.85
2 Subsidies/Reimbursement from the state (S)	217.58	243.60	269.62	295.65	321.67	347.69
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	244.38	271.41	298.44	325.47	352.51	379.54
4 Interest received by the State (Int.)	0.00	0.00	0.00	0.00	0.00	0.00
5 Non Passenger Taxes received by the State (NPT)	9.63	9.66	9.69	9.72	9.75	9.78
6 Total Receipts by the State from the STRU (R_{state})(4+5)	9.63	9.66	9.69	9.72	9.75	9.78
7 Burden on the SRTU due to Concessions (B)	222.98	249.91	276.84	303.76	330.69	357.62
8 Effective Receipts by the State (ER_{state})(6+7)	232.61	259.57	286.53	313.49	340.45	367.40
9 Net Flow from the State (NF_{state}) (3-8)	11.77	11.84	11.91	11.99	12.06	12.13

HARYANA

State Transport Haryana (STHAR)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***				***282.09***	***309.44***	***309.66***	***309.88***					***349.09***
a.	Capital contrinution by state				282.09	309.44	309.66	309.88					349.09
b.	Capital contrinution by centre				0.00	0.00	0.00	0.00					0.00
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***				***74.56***	***80.33***	***82.98***	***65.00***					***98.70***
a.	State loans												
b.	Debentures												
c.	Loans from IDBI				70.47	76.18	82.98	65.00					98.70
d.	Loans fron commercial banks					4.15							
e.	Loans from LIC												
f.	Public Deposits												
g.	Others				4.09								
	Total External Capital (I+II)				***356.65***	***389.77***	***392.64***	***374.88***					***447.79***
B.	**INTERNAL CAPITAL**												
I	Reserves				106.87	122.55	122.50	172.71					187.32
II	Accumulated profit/losses				-24.54	-51.70	-42.73	-242.13					-479.70
	Total Internal Capital (I+II)				***82.33***	***70.85***	***79.77***	***-69.42***					***-292.38***
C.	**CAPITAL INVESTED (CI) (A+B)**				***438.98***	***460.62***	***472.41***	***305.46***					***155.41***
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*				280.09	307.00	307.66	380.91					379.23
a	Net value of buses				243.20	266.90	285.20	335.00					322.31
b	Net value of other assets				36.89	40.10	22.46	45.91					56.92
II	Current Assets				0.00	0.00	0.00	93.95					
III	Current Liabilities				0.00	0.00	0.00	183.37					
	Net Current Liabilities				156.89	151.18	148.15						-234.07
	Capital Employed (CE)(I+II-III)				***280.09***	***307.00***	***307.66***	***291.49***					***613.30***
E.	***Stock Net Worth (NFA-TOL)***				205.53	226.67	224.68	315.91					280.53
F.	***Total Net Worth (CE-TOL)***				205.53	226.67	224.68	226.49					514.60
	CHANGES IN STOCKS												
	Change in reserves				106.87	15.68	-0.05	50.21					
	Change in accumulated profit/losses				-24.54	-27.16	8.97	-199.40					
	Change in capital invested				438.98	21.64	11.79	-166.95					
	Change in capital employed				280.09	26.91	0.66	-16.17					
	Change in Net worth				205.53	21.14	-1.99	91.23					

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	232.94	294.07	332.51	356.62	352.78	392.32	410.58	422.54	426.94	478.03	499.31	530.73
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	164.13	211.23	242.62	259.93	260.79	290.33	299.68	309.22	315.95	356.90	375.36	402.32
c.	Non-traffic revenue (NTR)	6.56	8.17	8.52	10.53	9.11	13.87	9.97	12.95	13.54	17.40	28.58	41.08
d.	***Total Revenue (TTR) (a+c)***	***239.50***	***302.24***	***341.03***	***367.15***	***361.89***	***406.19***	***420.55***	***435.49***	***440.48***	***495.43***	***527.89***	***571.81***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***170.69***	***219.40***	***251.14***	***270.46***	***269.90***	***304.20***	***309.65***	***322.17***	***329.49***	***374.30***	***403.94***	***443.40***
f.	Burden due to concession in fare	18.00	20.00	35.00	41.00	47.00	45.00	43.00	40.64	46.44	52.23	63.83	87.01
B.	**COST**												
a.	***Personnel Cost***	***63.89***	***75.11***	***82.82***	***90.46***	***106.48***	***107.37***	***127.59***	***184.32***	***183.56***	***189.11***	***189.27***	***191.93***
b.	***Material Cost***	***78.24***	***93.09***	***106.84***	***120.22***	***122.82***	***135.77***	***144.42***	***141.95***	***160.37***	***179.23***	***179.25***	***189.03***
	Direct Cost (DC)(a+b)	142.13	168.20	189.66	210.68	229.30	243.14	272.01	326.27	343.93	368.34	368.52	380.96
c.	***Depreciation (I+II) of which***	***10.78***	***14.75***	***17.86***	***18.94***	***20.26***	***22.77***	***23.20***	***24.69***	***22.95***	***19.15***	***20.05***	***23.71***
I.	Depreciation on buses	10.78	14.75		18.94	20.26	22.77	23.20	24.69	22.95	19.15	20.05	23.71
II.	Depreciation on other assets	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d.	***Interest***	***6.12***	***7.78***	***9.37***	***10.66***	***11.00***	***12.42***	***13.56***	***15.72***	***16.98***	***14.75***	***16.01***	***18.25***
I	Interest to State Govt.	6.12	7.78	9.37	10.66	11.29	11.93	13.19	15.72	16.98	14.75	16.01	18.25
II	Interest on Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Net Cost (NC) =TC-PT	*179.27*	*212.33*	*244.95*	*275.81*	*297.06*	*330.26*	*351.38*	*412.86*	*437.01*	*449.50*	*458.18*	*495.87*
e.	***Taxes (I+II) of which***	***77.54***	***92.97***	***101.47***	***109.15***	***104.76***	***115.24***	***124.56***	***127.81***	***126.50***	***138.02***	***152.17***	***172.33***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***8.73***	***10.13***	***11.58***	***12.46***	***12.77***	***13.25***	***13.66***	***14.49***	***15.51***	***16.89***	***28.22***	***43.92***
(i)	Motor Vehicle Tax	7.83	8.85	8.99	9.16	9.28	9.68	9.69	9.73	9.16	8.96	8.58	8.74
(ii)	Special Road Tax/Other taxes on buses	0.90	1.28	2.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.45
(iii)	Misc. & other Taxes	0.00	0.00	0.00	3.30	3.49	3.57	3.97	4.76	6.35	7.93	19.64	14.73
II.	***Passenger Tax (PT)***	***68.81***	***82.84***	***89.89***	***96.69***	***91.99***	***101.99***	***110.90***	***113.32***	***110.99***	***121.13***	***123.95***	***128.41***
f.	***Misc. and other costs***	***11.51***	***11.47***	***16.48***	***23.07***	***23.73***	***38.68***	***28.95***	***31.69***	***37.64***	***30.37***	***25.38***	***29.03***
	Total Cost (TC) (a+b+c+d+e+f)	*248.08*	*295.17*	*334.84*	*372.50*	*389.05*	*432.25*	*462.28*	*526.18*	*548.00*	*570.63*	*582.13*	*624.28*
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	22.00	43.03	52.96	49.25	31.49	47.19	27.67	-17.05	-27.98	-11.44	6.84	21.36
b	Gross Margin (GM) = (TTR* - DC)	28.56	51.20	61.48	59.78	40.60	61.06	37.64	-4.10	-14.44	5.96	35.42	62.44
c	Net Margin (NM) = TTR -TC =TTR*-NC	-8.58	7.07	6.19	-5.35	-27.16	-26.06	-41.73	-90.69	-107.52	-75.20	-54.24	-52.47
d	Profit after interest =Profit before tax (NM+NPT)	0.15	17.20	17.77	7.11	-14.39	-12.81	-28.07	-76.20	-92.01	-58.31	-26.02	-8.55
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	86.60	57.20	57.04	59.08	65.00	61.97	66.25	77.22	80.56	77.05	73.81	71.78
b	Cost Recovery Ratio = (TTR*/NC)	91.55	99.48	99.05	94.24	87.79	87.91	85.29	74.90	72.30	79.40	81.92	81.13
c	Return on capital invested ((NM+Int)/CI)				1.21	-3.51	-2.89	-9.22					
d	Return on capital employed ((NM+Int)/CE)				1.90	-5.26	-4.43	-9.66					

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.				282.09	309.44	309.66	309.88	319.88	329.88	339.09	349.09	349.09
2	State Debt Outstanding												
3	***State Investment in SRTUs (1+2)***				***282.09***	***309.44***	***309.66***	***309.88***	***319.88***	***329.88***	***339.09***	***349.09***	***349.09***
	FLOWS												
4	Increase in State Investment					27.35	0.22	0.22	10.00	10.00	9.21	10.00	0.00
5	Grants/Subsidies received from Govt.												
6	***Total receipts by SRTU (4+5) from State***					***27.35***	***0.22***	***0.22***	***10.00***	***10.00***	***9.21***	***10.00***	***0.00***
7	Interest received by state govt	6.12	7.78	9.37	10.66	11.29	11.93	13.19	15.72	16.98	14.75	16.01	18.25
8	Taxes received by state govt (only NPT)	8.73	10.13	11.58	12.46	12.77	13.25	13.66	14.49	15.51	16.89	28.22	43.92
9	***Total Receipts by the state (7+8) from STRU***	***14.85***	***17.91***	***20.95***	***23.12***	***24.06***	***25.18***	***26.85***	***30.21***	***32.49***	***31.64***	***44.23***	***62.17***
10	Burden on SRTUs due to Concessions	18.00	20.00	35.00	41.00	47.00	45.00	43.00	40.64	54.95	69.25	80.34	87.01
11	***Effective Receipts by the state (9+10) from STRU***	***32.85***	***37.91***	***55.95***	***64.12***	***71.06***	***70.18***	***69.85***	***70.85***	***87.44***	***100.89***	***124.57***	***149.18***
12	***Net Flow from State to SRTU (6-11)***					***-43.71***	***-69.96***	***-69.63***	***-60.85***	***-77.44***	***-91.68***	***-114.57***	***-149.18***
13	Passenger Tax (PT)	68.81	82.84	89.89	96.69	91.99	101.99	110.90	113.32	110.99	121.13	123.95	128.41

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1 Average No. Buses held	3452	3758		3800	3776	3877	3854	3772	3831	3470	3410	3474
2 Average No. of Buses on Road	3279	3570		3610	3587	3718	3649	3631	3535	3359	3328	3364
3 Fleet Utilisation (%)	95.00	98.00	95.00	95.00	95.00	95.90	94.70	96.30	92.30	96.80	97.60	96.80
4 Employment	19883	20359		21063	21127	21341	20985	20486	20319	19587	19130	18799
5 Effc. Kms. Operated (Cr.)	36.40	40.87		43.78	41.71	41.92	40.56	39.47	39.46	38.40	38.33	39.49
6 Km/Bus on road/Day		321.00	326.80		318.60	308.90	304.50	297.80	305.00	313.30	315.20	321.60
7 Bus Staff Ratio per bus on road	6.06	5.70	5.77	5.83	5.89	5.74	5.75	5.64	5.75	5.83	5.75	5.59
8 Occupancy Ratio (%)	82.00	83.21	84.75	86.63	88.50	76.60	68.50	65.50	54.90	67.30	71.90	71.24
9 Fuel Consumption KMPL (HSD)	4.40	4.40	4.41	4.41	4.41	4.42	4.42	4.44	4.00	4.43	4.46	4.54
10 Average Age of Fleet (in years)	4.01	4.00	4.00	4.09	4.17	4.17	4.08	4.33	4.50	4.67	5.33	4.00

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	6.33	6.27	6.22	6.17	6.11	6.06
2 Subsidies/Reimbursement from the state (S)						
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	6.33	6.27	6.22	6.17	6.11	6.06
4 Interest received by the State (Int.)	18.89	19.58	20.26	20.95	21.63	22.31
5 Non Passenger Taxes received by the State (NPT)	47.04	52.58	58.12	63.66	69.20	74.74
6 Total Receipts by the State from the STRU (R_{state})(4+5)	65.94	72.16	78.38	84.61	90.83	97.05
7 Burden on the SRTU due to Concessions (B)	107.98	118.07	128.17	138.27	148.37	158.47
8 Effective Receipts by the State (ER_{state})(6+7)	173.91	190.23	206.55	222.88	239.20	255.52
9 Net Flow from the State (NF_{state}) (3-8)	-167.58	-183.96	-200.33	-216.71	-233.09	-249.46

HIMACHAL PRADESH

Himachal Road Transport Corporation (HRTC)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	*71.02*	*79.02*	*115.74*	*128.83*	*138.33*	*146.33*	*156.37*	*166.41*	*178.60*	*190.50*	*202.50*	213.51
a.	Capital contrinution by state	59.68	67.68	100.30	113.39	122.89	130.89	140.93	150.97	163.16	175.06	187.06	198.07
b.	Capital contrinution by centre	11.34	11.34	15.44	15.44	15.44	15.44	15.44	15.44	15.44	15.44	15.44	15.44
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	*45.21*	*60.80*	*29.75*	*23.86*	*26.39*	*31.62*	*124.13*	*40.69*	*39.70*	*42.16*	*46.86*	*47.35*
a.	State loans												
b.	Debentures												
c.	Loans from IDBI	13.81	23.09	24.75	11.95	7.23	3.52	94.13					
d.	Loans fron commercial banks	21.04	32.71	0.00	10.99	18.24	25.80	30.00	34.82	39.17	41.51	46.16	46.60
e.	Loans from LIC												
f.	Public Deposits	10.01			0.41	0.46	0.48		0.52	0.53	0.42	0.42	0.53
g.	Others	0.35	5.00	5.00	0.51	0.46	1.82		5.35		0.23	0.28	0.22
	Total External Capital (I+II)	*116.23*	*139.82*	*145.49*	*152.69*	*164.72*	*177.95*	*280.50*	*207.10*	*218.30*	*232.66*	*249.36*	*260.86*
B.	**INTERNAL CAPITAL**												
I	Reserves	58.44	70.40	84.58	101.72	119.66	140.29	140.29	77.24	87.51	97.65	100.12	95.31
II	Accumulated profit/losses	-79.28	-91.88	-96.07	-109.35	-122.20	-142.35	-149.48	-165.66	-214.20	-248.96	-277.82	-307.68
	Total Internal Capital (I+II)	*-20.84*	*-21.48*	*-11.49*	*-7.63*	*-2.54*	*-2.06*	*-9.19*	*-88.42*	*-126.69*	*-151.31*	*-177.70*	*-212.37*
C.	**CAPITAL INVESTED (CI) (A+B)**	*95.39*	*118.34*	*134.00*	*145.06*	*162.18*	*175.89*	*271.31*	*118.68*	*91.61*	*81.35*	*71.66*	*48.49*
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*	68.76	97.85	84.92	95.01	101.15	111.50	120.06	130.67	135.42	142.59	151.30	151.52
a	Net value of buses	61.07	86.23	73.42	82.19	87.63	96.14	104.93	112.38	115.94	122.18	130.40	130.07
b	Net value of other assets	7.69	11.62	11.50	12.82	13.52	15.36	15.13	18.29	19.48	20.41	20.90	21.45
II	Current Assets	38.09	38.09	26.88	16.14	16.63	14.99	21.61	9.02	9.24	10.77	10.23	10.78
III	Current Liabilities	40.56	50.86	24.17	21.35	23.08	30.90	37.48	22.59	56.83	74.00	91.16	114.90
	Capital Employed (CE)(I+II-III)	*66.29*	*85.08*	*87.63*	*89.80*	*94.70*	*95.59*	*104.19*	*117.10*	*87.83*	*79.36*	*70.37*	*47.40*
E.	***Stock Net Worth (NFA-TOL)***	23.55	37.05	55.17	71.15	74.76	79.88	-4.07	89.98	95.72	100.43	104.44	104.17
F.	***Total Net Worth (CE-TOL)***	21.08	24.28	57.88	65.94	68.31	63.97	-19.94	76.41	48.13	37.20	23.51	0.05
	CHANGES IN STOCKS												
	Change in reserves		11.96	14.18	17.14	17.94	20.63	0.00	-63.05	10.27	10.14	2.47	-4.81
	Change in accumulated profit/losses		-12.60	-4.19	-13.28	-12.85	-20.15	-7.13	-16.18	-48.54	-34.76	-28.86	-29.86
	Change in capital invested		22.95	15.66	11.06	17.12	13.71	95.42	-152.63	-27.07	-10.26	-9.69	-23.17
	Change in capital employed		18.79	2.55	2.17	4.90	0.89	8.60	12.91	-29.27	-8.47	-8.99	-22.97
	Change in Net worth		13.50	18.12	15.98	3.61	5.12	-83.95	94.05	5.74	4.71	4.01	-0.27

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	68.27	68.77	76.69	107.17	121.81	127.82	110.20	126.44	136.59	166.86	162.49	172.56
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	68.27	68.77	76.69	107.17	121.81	127.82	110.20	126.44	136.59	166.86	162.49	172.56
c.	Non-traffic revenue (NTR)	2.60	23.72	29.76	1.83	2.13	1.88	62.94	54.52	37.52	36.97	59.24	64.51
d.	***Total Revenue (TTR) (a+c)***	***70.87***	***92.49***	***106.45***	***109.00***	***123.94***	***129.70***	***173.14***	***180.96***	***174.11***	***203.83***	***221.73***	***237.07***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***70.87***	***92.49***	***106.45***	***109.00***	***123.94***	***129.70***	***173.14***	***180.96***	***174.11***	***203.83***	***221.73***	***237.07***
f.	Burden due to concession in fare			7.69		15.23	21.73	25.84	29.93	37.12	40.57	42.61	23.36
B.	**COST**												
a.	***Personnel Cost***	*33.24*	*30.50*	*32.97*	*51.71*	*59.49*	*65.17*	*87.26*	*97.49*	*111.51*	*115.20*	*117.52*	*125.65*
b.	***Material Cost***	*34.12*	*38.99*	*44.80*	*49.41*	*52.33*	*58.81*	*66.13*	*71.38*	*80.45*	*88.66*	*93.81*	*100.55*
	Direct Cost (DC)(a+b)	67.36	69.49	77.77	101.12	111.82	123.98	153.39	168.87	191.96	203.86	211.33	226.20
c.	***Depreciation (I+II) of which***	***8.11***	***9.56***	***11.11***	***11.60***	***12.79***	***13.43***	***14.57***	***15.49***	***16.47***	*13.69*	*15.47*	*16.64*
I.	Depreciation on buses	7.80	9.16	10.56	10.95	12.11	12.77	13.94	14.76	15.56	12.68	14.45	15.71
II.	Depreciation on other assets	0.31	0.40	0.55	0.65	0.68	0.66	0.63	0.73	0.91	1.01	1.02	0.93
d.	***Interest***	***8.59***	***10.61***	***5.11***	***3.31***	***4.66***	***5.50***	***5.78***	***5.36***	***7.14***	***13.09***	***13.99***	***13.54***
I	Interest to State Govt.	3.50	3.99	2.05	0.10	0.15	0.21	0.26	0.30	0.34	0.38	0.41	0.45
II	Interest on Borrowings	4.38	5.91	3.06	3.21	4.51	5.29	5.52	5.06	6.80	12.71	13.58	13.09
	Net Cost (NC) =TC-PT	***92.44***	***105.07***	***112.71***	***122.28***	***136.95***	***151.08***	***180.52***	*197.43*	***223.01***	***238.98***	***250.99***	***266.92***
e.	***Taxes (I+II) of which***	*3.51*	*3.69*	***3.95***	***4.08***	***4.32***	***4.34***	***4.57***	***4.70***	***5.10***	***5.55***	***5.77***	***7.03***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***3.51***	***3.69***	***3.95***	***4.08***	***4.32***	***4.34***	***4.57***	***4.70***	*5.10*	*5.55*	***5.77***	***7.03***
(i)	Motor Vehicle Tax	3.51	3.69	3.95	4.08	4.32	4.34	4.57	4.70	5.10	5.55	5.77	7.03
(ii)	Special Road Tax/Other taxes on buses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Misc. & other Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II.	***Passenger Tax (PT)***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	*0.00*	***0.00***	***0.00***	***0.00***	***0.00***
f.	***Misc. and other costs***	***4.87***	***11.72***	***14.77***	***2.17***	***3.36***	***3.83***	***2.21***	***3.01***	***2.34***	***2.79***	*4.43*	***3.51***
	Total Cost (TC) (a+b+c+d+e+f)	***92.44***	***105.07***	***112.71***	***122.28***	***136.95***	***151.08***	***180.52***	*197.43*	***223.01***	***238.98***	***250.99***	***266.92***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	0.91	-0.72	-1.08	6.05	9.99	3.84	-43.19	-42.43	-55.37	-37.00	-48.84	-53.64
b	Gross Margin (GM) = (TTR* - DC)	3.51	23.00	28.68	7.88	12.12	5.72	19.75	12.09	-17.85	-0.03	10.40	10.87
c	Net Margin (NM) = TTR -TC =TTR*-NC	-21.57	-12.58	-6.26	-13.28	-13.01	-21.38	-7.38	-16.47	-48.90	-35.15	-29.26	-29.85
d	Profit after interest =Profit before tax (NM+NPT)	-18.06	-8.89	-2.31	-9.20	-8.69	-17.04	-2.81	-11.77	-43.80	-29.60	-23.49	-22.82
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	98.67	101.05	101.41	94.35	91.80	97.00	139.19	133.56	140.54	122.17	130.06	131.08
b	Cost Recovery Ratio = (TR*/NC)	73.85	65.45	68.04	87.64	88.94	84.60	61.05	64.04	61.25	69.82	64.74	64.65
c	Return on capital invested ((NM+Int)/CI)	-13.61	-1.66	-0.86	-6.87	-5.15	-9.03	-0.59	-9.36	-45.58	-27.12	-21.31	-33.64
d	Return on capital employed ((NM+Int)/CE)	-19.58	-2.32	-1.31	-11.10	-8.82	-16.61	-1.54	-9.49	-47.55	-27.80	-21.70	-34.41

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.	59.68	67.68	100.30	113.39	122.89	130.89	140.93	150.97	163.16	175.06	187.06	213.51
2	State Debt Outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	***State Investment in SRTUs (1+2)***	***59.68***	***67.68***	***100.30***	***113.39***	***122.89***	***130.89***	***140.93***	***150.97***	***163.16***	***175.06***	***187.06***	***213.51***
	FLOWS												
4	Increase in State Investment		8.00	32.62	13.09	9.50	8.00	10.04	10.04	12.19	11.90	12.00	26.45
5	Grants/Subsidies received from Govt.							0.54	42.33	27.33	27.00	51.00	32.08
6	***Total receipts by SRTU (4+5) from State***		***8.00***	***32.62***	***13.09***	***9.50***	***8.00***	***10.58***	***52.37***	***39.52***	***38.90***	***63.00***	***58.53***
7	Interest received by state govt	3.50	3.99	2.05	0.10	0.15	0.21	0.26	0.30	0.34	0.38	0.41	0.45
8	Taxes received by state govt (only NPT)	3.51	3.69	3.95	4.08	4.32	4.34	4.57	4.70	5.10	5.55	5.77	7.03
9	***Total Receipts by the state (7+8) from STRU***	***7.01***	***7.68***	***6.00***	***4.18***	***4.47***	***4.55***	***4.83***	***5.00***	***5.44***	***5.93***	***6.18***	***7.48***
10	Burden on SRTUs due to Concessions			7.69	11.46	15.23	21.73	25.84	29.93	37.12	40.57	42.61	23.36
11	***Effective Receipts by the state (9+10) from STRU***	***7.01***	***7.68***	***13.69***	***15.64***	***19.70***	***26.28***	***30.67***	***34.93***	***42.56***	***46.50***	***48.79***	***30.84***
12	***Net Flow from State to SRTU (6-11)***		***0.32***	***18.94***	***-2.55***	***-10.20***	***-18.28***	***-20.09***	***17.44***	***-3.04***	***-7.60***	***14.21***	***27.69***
13	Passenger Tax (PT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1 Average No. Buses held	1600	1614	1598	1670	1666	1711	1742	1777	1734	1728	1747	1711
2 Average No. of Buses on Road	1543	1571	1547	1615	1613	1666	1696	1738	1697	1700	1718	1676
3 Fleet Utilisation (%)	95.10	97.30	96.80	96.70	96.80	97.40	97.40	97.80	97.90	98.40	98.30	98.00
4 Employment	9157	9028	9179	8647	8810	8917	9270	9229	9277	9084	8963	8494
5 Effc. Kms. Operated (Cr.)	10.67	11.15	12.01	12.20	12.45	12.85	13.29	13.64	13.96	13.86	13.92	14.02
6 Km/Bus on road/Day	191.30	194.40	212.70	206.90	211.50	211.20	214.80	215.10	224.80	223.40	222.00	229.20
7 Bus Staff Ratio per bus on road	5.25	5.90	5.93	5.35	5.46	5.44	5.47	5.14	5.30	5.14	4.83	4.73
8 Occupancy Ratio (%)	68.00	59.81	64.14	74.16	61.88	75.36	60.91	60.55	57.21	57.46	50.07	48.60
9 Fuel Consumption KMPL (HSD)	3.30	3.34	3.39	3.39	3.40	3.40	3.42	3.43	3.47	3.54	3.55	3.55
10 Average Age of Fleet (in years)												

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	25.04	27.54	30.05	32.55	35.05	37.56
2 Subsidies/Reimbursement from the state (S)	53.62	58.86	64.10	69.34	74.58	79.82
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	78.66	86.41	94.15	101.89	109.64	117.38
4 Interest received by the State (Int.)	0.53	0.56	0.60	0.64	0.68	0.71
5 Non Passenger Taxes received by the State (NPT)	7.51	7.96	8.42	8.87	9.33	9.79
6 Total Receipts by the State from the STRU (R_{state})(4+5)	8.03	8.53	9.02	9.51	10.01	10.50
7 Burden on the SRTU due to Concessions (B)	36.98	37.81	38.64	39.47	40.30	41.13
8 Effective Receipts by the State (ER_{state})(6+7)	45.01	46.34	47.66	48.98	50.31	51.63
9 Net Flow from the State (NF_{state}) (3-8)	33.65	40.07	46.49	52.91	59.33	65.74

JAMMU & KASHMIR

Jammu & Kashmir State Road Transport Corporation (JKSRTC)

Table 1: Financial Position of SRTU	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
STOCKS												
A. EXTERNAL CAPITAL												
I. Total Capital Contribution (TCC) (a+b)	***60.61***	***68.99***	***69.18***	***74.27***	***79.76***	***85.76***	***91.76***					
a. Capital contrinution by state	49.47	57.85	54.17	59.26	64.75	70.75	76.75					
b. Capital contrinution by centre	11.14	11.14	15.01	15.01	15.01	15.01	15.01					
II. Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)	***28.01***	***36.29***	***48.91***	***65.65***	***92.52***	***107.51***	***131.46***					
a. State loans	4.79		14.52		15.95	19.49						
b. Debentures												
c. Loans from IDBI	7.30					1.82						
d. Loans fron commercial banks	15.92		34.39		76.57	86.20						
e. Loans from LIC												
f. Public Deposits												
g. Others												
Total External Capital (I+II)	***88.62***	***105.28***	***118.09***	***139.92***	***172.28***	***193.27***	***223.22***					
B. INTERNAL CAPITAL												
I Reserves												
II Accumulated profit/losses	-87.84	-112.52	-137.74	-162.03	-193.33	-228.74	-266.96					
Total Internal Capital (I+II)	***-87.84***	***-112.52***	***-137.74***	***-162.03***	***-193.33***	***-228.74***	***-266.96***					
C. CAPITAL INVESTED (CI) (A+B)	0.78	-7.24	-19.65	-22.11	-21.05	-35.47	-43.74					
D. CAPITAL EMPLOYED (CE)												
I *Net fixed assets (NFA) of which*	23.29	20.88	17.07	17.66	30.59	29.10	34.36					
a Net value of buses												
b Net value of other assets												
II Current Assets	14.30	10.08	9.54	9.69	9.98	12.01	14.93					
III Current Liabilities	36.81	38.20	46.26	49.46	61.62	76.58	93.03					
Capital Employed (CE)(I+II-III)	***0.78***	***-7.24***	***-19.65***	***-22.11***	***-21.05***	***-35.47***	***-43.74***					
E. Stock Net Worth (NFA-TOL)	***-4.72***	***-15.41***	***-31.84***	***-47.99***	***-61.93***	***-78.41***	***-97.10***					
F. Total Net Worth (CE-TOL)	***-27.23***	***-43.53***	***-68.56***	***-87.76***	***-113.57***	***-142.98***	***-175.20***					
CHANGES IN STOCKS												
Change in reserves												
Change in accumulated profit/losses		-24.68	-25.22	-24.29	-31.30	-35.41	-38.22					
Change in capital invested		-8.02	-12.41	-2.46	1.06	-14.42	-8.27					
Change in capital employed		-8.02	-12.41	-2.46	1.06	-14.42	-8.27					
Change in Net worth		-10.69	-16.43	-16.15	-13.94	-16.48	-18.69					

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**											
a.	Traffic revenue (TR)											
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT											
c.	Non-traffic revenue (NTR)											
d.	***Total Revenue (TTR) (a+c)***	17.07	17.54	18.06	21.20	23.82	25.87	30.63				
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***											
f.	Burden due to concession in fare											
B.	**COST**											
a.	***Personnel Cost***											
b.	***Material Cost***											
	Direct Cost (DC)(a+b)	35.17	42.22	43.29	45.49	55.12	61.28	68.85				
c.	***Depreciation (I+II) of which***	2.13	4.58	3.90	7.07	9.51	4.89	4.94				
I.	Depreciation on buses											
II.	Depreciation on other assets											
d.	***Interest***	6.37	7.29	7.59	8.83	12.19	13.16	16.70				
I	Interest to State Govt.											
II	Interest on Borrowings											
	Net Cost (NC) =TC-PT											
e.	***Taxes (I+II) of which***											
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***											
(i)	Motor Vehicle Tax											
(ii)	Special Road Tax/Other taxes on buses											
(iii)	Misc. & other Taxes											
II.	***Passenger Tax (PT)***											
f.	***Misc. and other costs***											
	Total Cost (TC) (a+b+c+d+e+f)	43.67	54.09	54.78	61.39	76.82	79.33	90.49				
C.	**MARGINS**											
a	Operating Surplus (TR* - DC)											
b	Gross Margin (GM) = (TTR* - DC)	-18.10	-24.68	-25.23	-24.29	-31.30	-35.41	-38.22				
c	Net Margin (NM) = TTR -TC =TTR*-NC	-26.60	-36.55	-36.72	-40.19	-53.00	-53.46	-59.86				
d	Profit after interest =Profit before tax (NM+NPT)	-26.60	-36.55	-36.72	-40.19	-53.00	-53.46	-59.86				
D.	**RATIOS**											
a	Operating Ratio = (DC/TR*)											
b	Cost Recovery Ratio = (TR*/NC)	39.09	0.32	0.33	0.35	0.31	0.33	0.34				
c	Return on capital invested ((NM+Int)/CI)											
d	Return on capital employed ((NM+Int)/CE)											

Table 2: Fiscal Aspects in relation to the State Govt.

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
1	Capital Contribution from the State Govt.	49.47	68.99	54.17	74.27	64.75	70.75	91.76				
2	State Debt Outstanding	4.79		14.52		15.95	19.49					
3	***State Investment in SRTUs (1+2)***	54.26	68.99	68.69	74.27	80.70	90.24	91.76				
	FLOWS											
4	Increase in State Investment		14.73	-0.30	5.58	6.43	9.54	1.52				
5	Grants/Subsidies received from Govt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
6	***Total receipts by SRTU (4+5) from State***	0.00	14.73	-0.30	5.58	6.43	9.54	1.52				
7	Interest received by state govt											
8	Taxes received by state govt (only NPT)											
9	***Total Receipts by the state (7+8) from STRU***											
10	***Net Flow from State to SRTU (6-9)***	0.00	14.73	-0.30	5.58	6.43	9.54	1.52				
11	Burden on SRTUs due to Concessions											
12	Passenger Tax (PT)											

Table 3: Physical Parameters

		1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
1	Avg. Buses held					1220	1308	1184	1280			
2	No. of Buses on Road					666	714	687	730			
3	Fleet Utilisation (%)					55.00	55.00	58.00	57.00			
4	Employment					5741	5732	5672	5561			
5	Effc. Kms. Oper. (Cr.)					2.44	2.64	2.70	2.69			
6	Km/Bus on road/Day							109.00	102.00			
7	Bus Staff Ratio per bus held					4.70	4.32	5.00	4.34			
8	Bus Staff Ratio per bus on road					8.62	8.03	8.26	7.62			
9	Occupancy Ratio (%)					80.00	90.00	97.00	98.00			
10	Fuel Consumption KMPL (HSD)											
11	Average Age of Fleet											

	KARNATAKA												
Table 1: Financial Position of SRTU	**Karnataka State Road Transport Corporation (KnSRTC)**												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
A.	**EXTERNAL CAPITAL**													
I.	***Total Equity Contribution (TEC) (a+b)***	**0.00**	**0.00**	**154.10**	**254.10**	**309.77**	**309.77**	**297.62**	**287.77**	**287.77**	**207.57**	**207.57**	**207.38**	**207.38**
a.	Equity contribution by state	0.00	0.00	106.00	206.00	261.67	261.67	249.52	239.67	239.67	159.47	159.47	159.28	159.28
b.	Equity contribution by centre	0.00	0.00	48.10	48.10	48.10	48.10	48.10	48.10	48.10	48.10	48.10	48.10	48.10
II.	***Total Capital Contribution (TCC) (a+b)***	***249.76***	***281.76***	***229.34***	***98.62***	***98.77***	***98.92***	***84.78***	***30.86***	***30.86***	***1.00***	***1.00***	***1.00***	***1.00***
a.	Capital contribution by state	205.24	237.24	181.24	97.62	97.77	97.92	83.78	29.86	29.86	0.00	0.00	0.00	0.00
b.	Capital contribution by centre	44.52	44.52	48.10	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
III.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***105.91***	***137.03***	***164.88***	***178.43***	***185.81***	***214.37***	***221.44***	***176.61***	***242.35***	***201.34***	***200.18***	***182.10***	***177.25***
a.	State loans							4.28	3.23	3.23	2.36	2.36	2.36	2.36
b.	Debentures	7.70	7.70	7.70	7.70	5.50	3.30	1.10	0.00	0.00	0.00	0.00	0.00	0.00
c.	Loans from IDBI	70.47	94.89	118.70	115.23	108.80	111.91	90.62	36.91	22.02	7.46	2.52	0.16	0.00
d.	Loans fron commercial banks	3.33			14.21	17.32	30.74	82.97	80.85	128.45	126.44	144.31	116.08	142.49
e.	Loans from LIC	19.90	22.41	25.67	28.41	39.48	53.88	42.44	42.06	45.23	28.60	24.31	20.21	0.00
f.	Public Deposits	4.48	12.00	11.88	12.85	14.68	14.51	0.00	13.56	16.63	21.18	20.25	18.93	12.21
g.	Others	0.03	0.03	0.93	0.03	0.03	0.03	0.03	0.00	26.79	15.30	6.43	24.36	20.19
	Total External Capital (I+II+III)	***355.67***	***418.79***	***548.32***	***531.15***	***594.35***	***623.06***	***603.84***	***495.24***	***560.98***	***409.91***	***408.75***	***390.48***	***385.63***
B.	**INTERNAL CAPITAL**													
I	Reserves and Funds	302.92	341.57	387.12	426.69	447.22	473.88	474.67	316.01	342.17	250.54	301.87	323.05	340.97
II	Accumulated profit/losses	-213.53	-274.82	-367.55	-437.09	-484.80	-578.85	-435.99	-330.60	-351.66	-327.72	-311.92	-279.18	-253.31
	Total Internal Capital (I+II)	***89.39***	***66.75***	***19.57***	***-10.40***	***-37.58***	***-104.97***	***38.68***	***-14.59***	***-9.49***	***-77.18***	***-10.05***	***43.87***	***87.66***
C.	***CAPITAL INVESTED (CI) (A+B)***	***445.06***	***485.54***	***567.89***	***520.75***	***556.77***	***518.09***	***642.52***	***480.65***	***551.49***	***332.73***	***398.70***	***434.35***	***473.29***
D.	**CAPITAL EMPLOYED (CE)**													
I	*Net fixed assets (NFA) of which*	444.57	503.82	579.64	609.23	650.44	705.57	688.14	228.70	244.11	184.31	474.00	498.22	531.01
a	Net value of buses	372.97	423.39	487.84	512.03	548.15	595.49	577.47	159.34	136.30	142.10	356.19	372.07	400.00
b	Net value of other assets	71.60	80.43	91.80	97.20	102.29	110.08	110.67	69.36	107.81	42.21	117.81	126.15	131.01
II	Current Assets	72.13	78.77	102.35	91.69	102.48	131.39	150.00	176.16	150.66	154.66	84.50	92.09	127.52
III	Current Liabilities	78.77	105.19	170.77	187.72	202.54	323.10	290.00	250.05	203.56	213.44	176.49	173.47	166.75
	Capital Employed (CE)(I+II-III)	***437.93***	***477.40***	***511.22***	***513.20***	***550.38***	***513.86***	***548.14***	***154.81***	***191.21***	***125.53***	***382.01***	***416.84***	***491.78***
E.	***Stock Net Worth (NFA-TOL)***	***338.66***	***366.79***	***414.76***	***430.80***	***464.63***	***491.20***	***466.70***	***52.09***	***1.76***	***-17.03***	***273.82***	***316.12***	***353.76***
F.	***Total Net Worth (CE-TOL)***	***332.02***	***340.37***	***346.34***	***334.77***	***364.57***	***299.49***	***326.70***	***-21.80***	***-51.14***	***-75.81***	***181.83***	***234.74***	***314.53***
	CHANGES IN STOCKS													
	Change in reserves		38.65	45.55	39.57	20.53	26.66	0.79	-158.66	26.16	-91.63	51.33	21.18	17.92
	Change in accumulated profit/losses		-61.29	-92.73	-69.54	-47.71	-94.05	142.86	105.39	-21.06	23.94	15.80	32.74	25.87
	Change in capital invested		40.48	82.35	-47.14	36.02	-38.68	124.43	-161.87	70.84	-218.76	65.97	35.65	38.94
	Change in capital employed		39.47	33.82	1.98	37.18	-36.52	34.28	-393.33	36.40	-65.68	256.48	34.83	74.94
	Change in Net worth		28.13	47.97	16.04	33.83	26.57	-24.50	-414.61	-50.33	-18.79	290.85	42.30	37.64

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A.	**REVENUE**													
a.	Traffic revenue (TR)	522.67	565.32	649.68	704.09	769.97	825.81	913.90	591.51	693.93	669.64	621.38	680.38	749.16
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	520.57	564.77	649.68	704.09	769.97	825.81	913.90	591.51	693.93	669.64	621.38	680.38	749.16
c.	Non-traffic revenue (NTR)	43.19	40.43	50.92	57.85	75.08	77.97	72.75	49.26	52.48	38.97	63.68	47.42	41.66
d.	***Total Revenue (TTR) (a+c)***	***565.86***	***605.75***	***700.60***	***761.94***	***845.05***	***903.78***	***986.65***	***640.77***	***746.41***	***708.61***	***685.06***	***727.80***	***790.82***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***563.76***	***605.20***	***700.60***	***761.94***	***845.05***	***903.78***	***986.65***	***640.77***	***746.41***	***708.61***	***685.06***	***727.80***	***790.82***
f.	Burden due to concession in fare	72.72	78.00	100.68	100.00	100.00	105.68	140.00	180.41	86.77	63.87	78.00	46.86	
B.	**COST**													
a.	***Personnel Cost***	***201.03***	***229.14***	***288.53***	***301.31***	***350.95***	***380.01***	***390.58***	***240.00***	***291.89***	***252.47***	***234.91***	***248.75***	***264.37***
b.	***Material Cost***	***189.23***	***225.99***	***260.20***	***286.42***	***313.29***	***352.38***	***375.01***	***231.07***	***289.11***	***299.48***	***264.06***	***277.18***	***272.03***
	Direct Cost (DC)(a+b)	390.26	455.13	548.73	587.73	664.24	732.39	765.59	471.07	581.00	551.95	498.97	525.93	536.40
c.	***Depreciation (I+II) of which***	***48.81***	***54.54***	***64.13***	***69.16***	***60.11***	***71.69***	***78.06***	***59.50***	***71.92***	***69.18***	***68.23***	***67.70***	***68.47***
I.	Depreciation on buses	47.09	52.75	62.20	67.12	57.93	69.37	75.53	57.04	67.77	64.40	63.53	62.96	63.79
II.	Depreciation on other assets	1.72	1.79	1.93	2.04	2.18	2.32	2.53	2.46	4.15	4.78	4.70	4.74	4.68
d.	***Interest***	***28.82***	***32.44***	***34.81***	***34.71***	***36.99***	***42.18***	***44.17***	***33.92***	***33.85***	***28.59***	***24.76***	***25.83***	***17.62***
I	Interest to State Govt.	10.72	12.49	12.11	7.24	5.71	5.87	5.27	3.03	0.02	0.01	0.00	0	2.01
II	Interest on Borrowings	15.61	17.24	22.70	27.45	31.21	36.25	38.84	30.83	33.77	28.52	24.71	25.77	15.61
	Net Cost (NC) =TC-PT	***582.88***	***666.50***	***793.34***	***831.59***	***893.05***	***997.84***	***1010.90***	***650.02***	***761.56***	***725.40***	***667.88***	***697.84***	***675.80***
e.	***Taxes (I+II) of which***	***90.10***	***95.09***	***108.17***	***104.44***	***91.20***	***97.64***	***69.04***	***47.35***	***40.86***	***39.45***	***36.90***	***40.72***	***53.31***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***88.00***	***94.54***	***108.17***	***104.44***	***91.20***	***97.64***	***69.04***	***47.35***	***40.86***	***39.45***	***36.90***	***40.72***	***53.31***
(i)	Motor Vehicle Tax	87.54	94.20	107.82	104.03	90.74	97.07	67.91	46.32	40.50	38.94	36.32	40.09	52.67
(ii)	Special Road Tax/Other taxes on buses	0.46	0.34	0.35	0.41	0.46	0.57	1.13	0.59	0.18				
(iii)	Misc. & other Taxes								0.44	0.18	0.51	0.58	0.63	0.64
II.	***Passenger Tax (PT)***	***2.10***	***0.55***					***0.00***						
f.	***Misc. and other costs***	***26.99***	***29.85***	***37.50***	***35.55***	***40.51***	***53.94***	***55.04***	***38.18***	***33.93***	***36.23***	***39.02***	***37.66***	
	Total Cost (TC) (a+b+c+d+e+f)	***584.98***	***667.05***	***793.34***	***831.59***	***893.05***	***997.84***	***1010.90***	***650.02***	***761.56***	***725.40***	***667.88***	***697.84***	***675.80***
C.	**MARGINS**													
a	Operating Surplus (TR* - DC)	130.31	109.64	100.95	116.36	105.73	93.42	148.31	120.44	112.93	117.69	122.41	154.45	212.76
b	Gross Margin (GM) = (TTR* - DC)	173.50	150.07	151.87	174.21	180.81	171.39	221.06	169.70	165.41	156.66	186.09	201.87	254.42
c	Net Margin (NM) = TTR -TC =TTR*-NC	-19.12	-61.30	-92.74	-69.65	-48.00	-94.06	-24.25	-9.25	-15.15	-16.79	17.18	29.96	115.02
d	Profit after interest =Profit before tax (NM+NPT)	68.88	33.24	15.43	34.79	43.20	3.58	44.79	38.10	25.71	22.66	54.08	70.68	168.33
D.	**RATIOS**													
a	Operating Ratio = (DC/TR*)	74.97	80.59	84.46	83.47	86.27	88.69	83.77	79.64	83.73	82.42	80.30	77.30	71.60
b	Cost Recovery Ratio = (TR*/NC)	89.31	84.74	81.89	84.67	86.22	82.76	90.40	91.00	91.12	92.31	93.04	97.50	110.86
c	Return on capital invested ((NM+Int)/CI)	2.18	-5.94	-10.20	-6.71	-1.98	-10.01	3.10	5.13	3.39	3.55	10.52	12.84	28.03
d	Return on capital employed ((NM+Int)/CE)	2.21	-6.05	-11.33	-6.81	-2.00	-10.10	3.63	15.94	9.78	9.40	10.98	13.38	26.97

Table 2: Fiscal Aspects in relation to the State Govt.													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1	Capital Contribution from the State Govt.	205.24	237.24	181.24	97.62	97.77	97.92	83.78	29.86	29.86	0.00	0.00	0.00	0.00
2	Equity Contribution from the State Govt.	0.00	0.00	106.00	206.00	261.67	261.67	249.52	239.67	239.67	159.47	159.47	159.28	159.28
3	State Debt Outstanding							4.28	3.23	3.23	2.36	2.36	2.36	2.36
4	***State Investment in SRTUs (1+2+3)***	***205.24***	*237.24*	*287.24*	*303.62*	***359.44***	***359.59***	***337.58***	***272.76***	***272.76***	***161.83***	***161.83***	***161.64***	***161.64***
	FLOWS													
5	Increase in State Investment		32.00	50.00	16.38	55.82	0.15	-22.01	-64.82	0.00	-110.93	0.00	-0.19	0.00
6	Grants/Subsidies received from Govt.						36.20	37.15	21.12	23.81	18.07	43.13	21.00	10.62
7	***Total receipts by SRTU (4+5) from State***		***32.00***	***50.00***	***16.38***	***55.82***	***36.35***	***15.14***	***-43.70***	***23.81***	***-92.86***	***43.13***	***20.81***	***10.62***
8	Interest received by state govt	10.72	12.49	12.11	7.24	5.71	5.87	5.27	3.03	0.02	0.01	0.00	0.00	2.01
9	Taxes received by state govt (only NPT)	88.00	94.54	108.17	104.44	91.20	97.64	69.04	47.35	40.86	39.45	36.90	40.72	52.67
10	***Total Receipts by the state (7+8) from STRU***	***98.72***	***107.03***	***120.28***	***111.68***	***96.91***	***103.51***	***74.31***	***50.38***	***40.88***	***39.46***	***36.90***	***40.72***	***54.68***
11	Burden on SRTUs due to Concessions	72.72	78.00	100.68	100.00	100.00	105.68	130.00	180.41	86.77	63.87	78.00	46.86	42.64
12	***Effective Receipts by the state (10+11) from STRU***	*171.44*	*185.03*	*220.96*	*211.68*	***196.91***	***209.19***	***204.31***	***230.79***	***127.65***	***103.33***	*114.90*	*87.58*	***97.32***
13	***Net Flow from State to SRTU (7-12)***		*-153.03*	*-170.96*	*-195.30*	*-141.09*	***-172.84***	***-189.17***	***-274.49***	***-103.84***	***-196.19***	*-71.77*	*-66.77*	***-86.70***
14	Passenger Tax (PT)	2.10	0.55											

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1 Average No. Buses held	8848	9374	9899	10086	10229	10301	10723	5487	5883	4115	4191	4278	
2 Average No. of Buses on Road	7824	8307	8731	8973	9171	9329	9959	5192	5497	5739	3963	4053	
3 Fleet Utilisation (%)	88.40	88.60	88.20	89.00	89.70	90.60	92.90	94.60	93.40	93.70	94.60	95.1	
4 Employment	58189	60565	63712	62581	62413	63743	61694	35282	36352	24117	23158	23655	
5 Effc. Kms. Operated (Cr.)	84.07	90.14	95.06	98.27	100.65	102.30	108.91	62.81	66.82	59.71	52.05	53.66	
6 Km/Bus on road/Day	294.40	297.30	298.30	300.00	300.70	300.40	299.60	331.40	332.10	285.10	359.80	362.7	
7 Bus Staff Ratio per bus on road	7.44	7.29	6.44	6.98	6.78	6.81	6.19	6.80	6.61	5.86	5.48	5.58	
8 Occupancy Ratio (%)	89.31	85.73	81.98	85.47	104.76	73.38	85.01	75.34	71.25	69.90	61.60	59.41	
9 Fuel Consumption KMPL (HSD)	4.50	4.49	4.48	4.47	4.48	4.47	4.55	4.73	4.70	4.67	4.88	5.02	
10 Average Age of Fleet										8.00	4.00	3.5	

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2 Subsidies/Reimbursement from the state (S)	11.45	9.08	7.21	5.72	4.54	3.60
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	11.45	9.08	7.21	5.72	4.54	3.60
4 Interest received by the State (Int.)	2.01	2.61	3.21	3.81	4.41	5.01
5 Non Passenger Taxes received by the State (NPT)	53.31	57.65	62.00	66.35	70.70	75.05
6 Total Receipts by the State from the STRU (R_{state})(4+5)	55.31	60.26	65.21	70.15	75.10	80.05
7 Burden on the SRTU due to Concessions (B)	36.52	30.75	25.88	21.79	18.34	15.44
8 Effective Receipts by the State (ER_{state})(6+7)	91.83	91.00	91.09	91.94	93.45	95.49
9 Net Flow from the State (NF_{state}) (3-8)	-80.38	-81.92	-83.88	-86.23	-88.91	-91.89

			KARNATAKA				
Table 1: Financial Position of SRTU		**North West Karnataka Road Transport Corporation (NWKnRTC)**					
	STOCKS	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A.	EXTERNAL CAPITAL						
I.	*Total Equity Contribution (TEC) (a+b)*	***72.80***	***93.50***	***93.50***	***93.50***	***93.50***	***93.50***
a.	Equity contribution by state	72.80	93.50	93.50	93.50	93.50	93.50
b.	Equity contribution by centre	0.00	0.00	0.00	0.00	0.00	0.00
II.	*Total Capital Contribution (TCC) (a+b)*	***20.74***	***0.13***	***0.13***	***0.13***	***0.13***	***0.13***
a.	Capital contrinution by state	20.74	0.13	0.13	0.13	0.13	0.13
b.	Capital contrinution by centre	0.00	0.00	0.00	0.00	0.00	0.00
III.	*Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)*	***77.78***	***79.06***	***105.90***	***111.20***	***121.68***	***123.48***
a.	State loans		1.05	1.05	1.05	1.05	1.05
b.	Debentures	0.00	0.00	0.00	0.00	0.00	0.00
c.	Loans from IDBI	31.65	21.91	13.07	6.06	2.05	0.13
d.	Loans fron commercial banks	30.91	18.86	53.07	68.21	84.16	89.35
e.	Loans from LIC	14.97	24.97	26.91	23.28	19.79	16.45
f.	Public Deposits		12.02	11.80	12.60	14.63	16.50
g.	Others	0.25	0.25	0.00	0.00	0.00	0.00
	Total External Capital (I+II+III)	***171.32***	***172.69***	***199.53***	***204.83***	***215.31***	***217.11***
B.	**INTERNAL CAPITAL**						
I	Reserves and Funds	140.50	131.94	118.29	90.97	75.68	58.88
II	Accumulated profit/losses	-140.32	-140.10	-137.34	-132.27	-120.56	-108.27
	Total Internal Capital (I+II)	***0.18***	***-8.16***	***-19.05***	***-41.30***	***-44.88***	***-49.39***
C.	*CAPITAL INVESTED (CI) (A+B)*	***171.50***	***164.53***	***180.48***	***163.53***	***170.43***	***167.72***
D.	**CAPITAL EMPLOYED (CE)**						
I	*Net fixed assets (NFA) of which*	211.63	237.65	264.83	294.19	322.43	352.97
a	Net value of buses	185.70	229.85	225.69	238.48	258.20	372.07
b	Net value of other assets	25.93	7.80	39.14	55.71	64.23	-19.10
II	Current Assets		56.79	63.47	89.02	78.65	92.23
III	Current Liabilities		127.22	99.98	126.51	96.28	102.5
	Capital Employed (CE)(I+II-III)		***167.22***	***228.32***	***256.70***	***304.80***	***342.70***
E.	*Stock Net Worth (NFA-TOL)*		***158.59***	***158.93***	***182.99***	***200.75***	***229.49***
F.	*Total Net Worth (CE-TOL)*		***88.16***	***122.42***	***145.50***	***183.12***	***219.22***
	CHANGES IN STOCKS						
	Change in reserves			-13.65	-27.32	-15.29	-16.80
	Change in accumulated profit/losses			2.76	5.07	11.71	12.29
	Change in capital invested			15.95	-16.95	6.90	-2.71
	Change in capital employed			61.10	28.38	48.10	37.90
	Change in Net worth			0.34	24.06	17.76	28.74

	FLOWS	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**						
a.	Traffic revenue (TR)		345.68	396.30	441.01	476.85	507.84
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT		345.68	396.30	441.01	476.85	507.84
c.	Non-traffic revenue (NTR)		23.04	29.30	31.47	60.49	48.67
d.	***Total Revenue (TTR) (a+c)***		***368.72***	***425.60***	***472.48***	***537.34***	***556.51***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***		***368.72***	***425.60***	***472.48***	***537.34***	***556.51***
f.	Burden due to concession in fare		46.22	79.79	63.12	59.92	50.98
B.	**COST**						
a.	*Personnel Cost*		***156.35***	***181.26***	***180.99***	***197.19***	***209.14***
b.	*Material Cost*		***125.02***	***151.92***	***189.95***	***218.59***	***224.76***
	Direct Cost (DC)(a+b)		281.37	333.18	370.94	415.78	433.90
c.	*Depreciation (I+II) of which*		***30.42***	***34.49***	***38.71***	***40.92***	***41.72***
I.	Depreciation on buses		29.70	33.31	37.29	39.15	39.27
II.	Depreciation on other assets		0.72	1.18	1.42	1.77	2.45
d.	***Interest***		***13.80***	***15.61***	***14.30***	***15.07***	***13.5***
I	Interest to State Govt.		0.00	1.16	0.07	0.07	0.01
II	Interest on Borrowings		13.80	14.45	14.23	15.00	13.5
	Net Cost (NC) =TC-PT		***368.51***	***422.85***	***467.42***	***525.62***	***544.21***
e.	*Taxes (I+II) of which*		***24.96***	***21.31***	***23.29***	***25.36***	***27.25***
I.	*Non-Passenger Taxes (NPT) (i+ii+iii)*		***24.96***	***21.31***	***23.29***	***25.36***	***27.25***
(i)	Motor Vehicle Tax		24.84	20.88	23.27	25.22	26.62
(ii)	Special Road Tax/Other taxes on buses						
(iii)	Misc. & other Taxes		0.12	0.43	0.02	0.14	0.63
II.	***Passenger Tax (PT)***						
f.	***Misc. and other costs***		***17.96***	***18.26***	***20.18***	***28.49***	***27.84***
	Total Cost (TC) (a+b+c+d+e+f)		***368.51***	***422.85***	***467.42***	***525.62***	***544.21***
C.	**MARGINS**						
a	Operating Surplus (TR* - DC)		64.31	63.12	70.07	61.07	73.94
b	Gross Margin (GM) = (TTR* - DC)		87.35	92.42	101.54	121.56	122.61
c	Net Margin (NM) = TTR -TC =TTR*-NC		0.21	2.75	5.06	11.72	12.30
d	Profit after interest =Profit before tax (NM+NPT)		25.17	24.06	28.35	37.08	39.55
D.	**RATIOS**						
a	Operating Ratio = (DC/TR*)		81.40	84.07	84.11	87.19	85.44
b	Cost Recovery Ratio = (TR*/NC)		93.80	93.72	94.35	90.72	93.32
c	Return on capital invested ((NM+Int)/CI)		8.52	10.17	11.84	15.72	15.38
d	Return on capital employed ((NM+Int)/CE)		8.38	8.04	7.54	8.79	7.53

Table 2: Fiscal Aspects in relation to the State Govt.							
	STOCKS	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.		93.63	93.63	93.63	93.63	93.63
2	State Debt Outstanding		1.05	1.05	1.05	1.05	1.05
3	***State Investment in SRTUs (1+2)***		***94.68***	***94.68***	***94.68***	***94.68***	***94.68***
	FLOWS						
4	Increase in State Investment			0.00	0.00	0.00	0.00
5	Grants/Subsidies received from Govt.		15.00	18.09	15.91	25.21	25.17
6	***Total receipts by SRTU (4+5) from State***		***15.00***	***18.09***	***15.91***	***25.21***	***25.17***
7	Interest received by state govt		0.00	1.16	0.07	0.07	0.01
8	Taxes received by state govt (only NPT)		24.96	21.31	23.29	25.36	27.25
9	***Total Receipts by the state (7+8) from STRU***		***24.96***	***22.47***	***23.36***	***25.43***	***27.26***
10	Burden on SRTUs due to Concessions		46.22	79.79	63.12	59.92	50.98
11	***Effective Receipts by the state (9+10) from STRU***		***71.18***	***102.26***	***86.48***	***85.35***	***78.24***
12	***Net Flow from State to SRTU (6-11)***		***-56.18***	***-84.17***	***-70.57***	***-60.14***	***-53.07***
13	Passenger Tax (PT)						

Table 3: Physical Parameters		**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Average No. Buses held	3227	3396	3414	3477	3520	3616
2	Average No. of Buses on Road	3066	3192	3239	3299	3371	3478
3	Fleet Utilisation (%)	94.60	93.80	94.90	94.90	95.80	96.2
4	Employment	18709	19603	19541	20820	21000	20991
5	Effc. Kms. Operated (Cr.)	34.97	37.36	39.93	40.96	42.78	44.09
6	Km/Bus on road/Day	327.80	333.70	336.80	340.20	347.70	347.3
7	Bus Staff Ratio per bus on road	6.39	6.35	6.03	6.31	6.23	6.1
8	Occupancy Ratio (%)		80.77	81.79	76.43	62.32	59.41
9	Fuel Consumption KMPL (HSD)	4.85	4.93	4.92	4.97	5.02	5.13
10	Average Age of Fleet						

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10							
		2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	30.86	33.61	36.35	39.10	41.84	44.59
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	30.86	33.61	36.35	39.10	41.84	44.59
4	Interest received by the State (Int.)	0.04	0.04	0.03	0.03	0.03	0.03
5	Non Passenger Taxes received by the State (NPT)	27.89	28.75	29.61	30.48	31.34	32.20
6	Total Receipts by the State from the STRU (R_{state})(4+5)	27.92	28.79	29.65	30.51	31.37	32.23
7	Burden on the SRTU due to Concessions (B)	55.87	54.83	53.80	52.76	51.73	50.69
8	Effective Receipts by the State (ER_{state})(6+7)	83.79	83.62	83.44	83.27	83.10	82.92
9	Net Flow from the State (NF_{state}) (3-8)	-52.93	-50.01	-47.09	-44.17	-41.25	-38.33

Table 1: Financial Position of SRTU	KARNATAKA						
	Bangalore Metropolitan Transport Compmay Limited (BMTC)						
STOCKS	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A. EXTERNAL CAPITAL							
I. Total Equity Contribution (TEC) (a+b)	***50.15***	***64.41***	***64.41***	***64.41***	***64.41***	***64.59***	***64.59***
a. Equity contribution by state	50.15	64.41	64.41	64.41	64.41	64.59	64.59
b. Equity contribution by centre							
II. Total Capital Contribution (TCC) (a+b)	***14.29***	***0.12***	***0.12***	***0.12***	***0.12***	***0.12***	***0.12***
a. Capital contrinution by state	14.29	0.12	0.12	0.12	0.12	0.12	0.12
b. Capital contrinution by centre							
III. Total Outstanding Loans (TOL)(a+b+c+d+e+f+g+h)	***25.69***	***23.77***	***37.54***	***47.81***	***54.30***	***57.27***	***50.88***
a. State loans		0.72	0.72	0.72	0.72	0.72	0.72
b. Debentures							
c. Loans from IDBI	12.76	8.28	4.94	2.29	0.77	4.94	0.00
d. Loans from commercial banks	3.65	2.89	9.76	26.93	32.80	33.02	21.42
e. Loans from LIC	5.76	5.14	7.83	6.73	5.69	2.24	0.00
f. Public Deposits	3.52	6.74	11.29	7.76	9.62	9.36	15.20
g. loans from the KUIDFC	0.00	0.00	3.00	3.38	4.70	6.99	13.54
h. Others							
Total External Capital (I+II+III)	***90.13***	***88.30***	***102.07***	***112.34***	***118.83***	***121.98***	***115.59***
B. INTERNAL CAPITAL							
I Reserves and Funds	65.94	57.39	47.92	92.06	103.67	117.93	132.63
II Accumulated profit/losses	-80.5	-76.53	-74.43	-38.44	-12.98	14.66	94.91
Total Internal Capital (I+II)	***-14.56***	***-19.14***	***-26.51***	***53.62***	***90.69***	***132.59***	***227.54***
C. CAPITAL INVESTED (CI) (A+B)	***75.57***	***69.16***	***75.56***	***165.96***	***209.52***	***254.57***	***343.13***
D. CAPITAL EMPLOYED (CE)							
I *Net fixed assets (NFA) of which*	120.94	131.70	154.86	182.26	208.31	236.70	313.21
a Net value of buses	105.46	113.66	132.75	150.15	170.81	186.88	228.47
b Net value of other assets	15.48	18.04	22.11	32.11	37.50	49.82	84.74
II Current Assets	11.89	17.62	20.40	16.56	41.95	50.56	63.49
III Current Liabilities	33.71	38.58	43.72	35.57	40.63	42.50	42.78
Capital Employed (CE)(I+II-III)	***99.12***	***110.74***	***131.54***	***163.25***	***209.63***	***244.76***	***333.92***
E. Stock Net Worth (NFA-TOL)	***95.25***	***107.93***	***117.32***	***134.45***	***154.01***	***179.43***	***262.33***
F. Total Net Worth (CE-TOL)	***73.43***	***86.97***	***94.00***	***115.44***	***155.33***	***187.49***	***283.04***
CHANGES IN STOCKS							
Change in reserves		-8.55	-9.47	44.14	11.61	14.26	14.70
Change in accumulated profit/losses		3.97	2.10	35.99	25.46	27.64	80.25
Change in capital invested		-6.41	6.40	90.40	43.56	45.05	88.56
Change in capital employed		11.62	20.80	31.71	46.38	35.13	89.16
Change in Net worth		12.68	9.39	17.13	19.56	25.42	82.90

	FLOWS	1997-98*	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A.	**REVENUE**							
a.	Traffic revenue (TR)	106.62	175.97	211.01	256.79	301.20	341.97	441.16
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	106.62	175.92	210.90	256.72	301.00	341.93	441.16
c.	Non-traffic revenue (NTR)	10.99	19.29	22.71	19.35	21.13	31.36	44.06
d.	***Total Revenue (TTR) (a+c)***	***117.61***	***195.26***	***233.72***	***276.14***	***322.33***	***373.33***	***485.22***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***117.61***	***195.21***	***233.61***	***276.07***	***322.13***	***373.29***	***485.22***
f.	Burden due to concession in fare		41.59	39.52	38.90	52.97	66.09	72.82
B.	**COST**							
a.	***Personnel Cost***	***66.31***	***96.09***	***119.53***	***120.38***	***127.08***	***136.62***	***149.77***
b.	***Material Cost***	***42.13***	***61.69***	***71.97***	***91.80***	***96.24***	***102.45***	***115.49***
	Direct Cost (DC)(a+b)	108.44	157.78	191.50	212.18	223.32	239.07	265.26
c.	***Depreciation (I+II) of which***	***4.56***	***9.97***	***10.69***	***16.33***	***19.00***	***22.12***	***25.23***
I.	Depreciation on buses	4.34	9.66	10.18	15.59	18.03	20.93	25.03
II.	Depreciation on other assets	0.22	0.31	0.51	0.74	0.97	1.19	0.20
d.	***Interest***	***3.35***	***6.50***	***4.32***	***5.28***	***6.10***	***5.47***	***3.34***
I	Interest to State Govt.	0.56	0.74	0.01	0.01	0.01	0.01	0.09
II	Interest on Borrowings	2.79	5.76	4.31	5.27	6.09	5.46	3.25
	Net Cost (NC) =TC-PT	***125.43***	***191.26***	***231.52***	***262.93***	***295.42***	***345.81***	***328.35***
e.	***Taxes (I+II) of which***	***5.42***	***8.88***	***6.44***	***7.77***	***9.24***	***10.29***	***22.24***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***5.42***	***8.83***	***6.33***	***7.70***	***9.04***	***10.25***	***22.24***
(i)	Motor Vehicle Tax	5.42	8.83	6.33	7.70	9.04	10.25	22.10
(ii)	Special Road Tax/Other taxes on buses							0.14
(iii)	Misc. & other Taxes							
II.	***Passenger Tax (PT)***	***0.00***	***0.05***	***0.11***	***0.07***	***0.20***	***0.04***	***0.00***
f.	***Misc. and other costs***	***3.66***	***8.18***	***18.68***	***21.44***	***37.96***	***68.9***	***12.28***
	Total Cost (TC) (a+b+c+d+e+f)	***125.43***	***191.31***	***231.63***	***263.00***	***295.62***	***345.85***	***328.35***
C.	**MARGINS**							
a	Operating Surplus (TR* - DC)	-1.82	18.14	19.40	44.54	77.68	102.86	175.90
b	Gross Margin (GM) = (TTR* - DC)	9.17	37.43	42.11	63.89	98.81	134.22	219.96
c	Net Margin (NM) = TTR -TC =TTR*-NC	-7.82	3.95	2.09	13.14	26.71	27.48	156.87
d	Profit after interest =Profit before tax (NM+NPT)	-2.40	12.78	8.42	20.84	35.75	37.73	179.11
D.	**RATIOS**							
a	Operating Ratio = (DC/TR*)	101.71	89.69	90.80	82.65	74.19	69.92	60.13
b	Cost Recovery Ratio = (TR*/NC)	85.00	91.98	91.09	97.64	101.89	98.88	134.36
c	Return on capital invested ((NM+Int)/CI)	-5.92	15.11	8.48	11.10	15.66	12.94	46.69
d	Return on capital employed ((NM+Int)/CE)	-4.51	9.44	4.87	11.28	15.65	13.46	47.98
* Figures refer to the period from 15.08.1997 to 31.03.1998.								

Table 2: Fiscal Aspects in relation to the State Govt.								
	STOCKS	**1997-98***	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1	Capital Contribution from the State Govt.	14.29	0.12	0.12	0.12	0.12	0.12	0.12
2	Equity Contribution from the State Govt.	50.15	64.41	64.41	64.41	64.41	64.59	64.59
3	State Debt Outstanding	0.72	0.72	0.72	0.72	0.72	0.72	0.72
4	***State Investment in SRTUs (1+2)***	***65.16***	***65.25***	***65.25***	***65.25***	***65.25***	***65.43***	***65.43***
	FLOWS							
5	Increase in State Investment		0.09	0.00	0.00	0.00	0.18	0.00
6	Grants/Subsidies received from Govt.		15.00	17.40	14.40	14.11	26.45	31.66
7	***Total receipts by SRTU (4+5) from State***		***15.09***	***17.40***	***14.40***	***14.11***	***26.63***	***31.66***
8	Interest received by state govt	0.56	0.74	0.01	0.01	0.01	0.01	0.09
9	Taxes received by state govt (only NPT)	5.42	8.83	6.33	7.70	9.04	10.25	22.24
10	***Total Receipts by the state (7+8) from STRU***	***5.98***	***9.57***	***6.34***	***7.71***	***9.05***	***10.26***	***22.33***
11	Burden on SRTUs due to Concessions		41.59	39.52	38.90	52.97	66.09	72.82
12	***Effective Receipts by the state (10+11) from STRU***	***5.98***	***51.16***	***45.86***	***46.61***	***62.02***	***76.35***	***95.15***
13	***Net Flow from State to SRTU (7-12)***	***-5.98***	***-36.07***	***-28.46***	***-32.21***	***-47.91***	***-49.72***	***-63.49***
14	Passenger Tax (PT)	0.00	0.05	0.11	0.07	0.20	0.04	
Table 3: Physical Parameters		**1997-98***	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1	Average No. Buses held	2098	2073	2119	2264	2304	2775	
2	Average No. of Buses on Road	1930	1941	2005	2140	2205	2656	
3	Fleet Utilisation (%)	91.70	93.63	94.60	95.67	96.10	95.7	
4	Employment	13294	13093	12984	13594	13298	14356	
5	Effc. Kms. Operated (Cr.)		15.02	16.90	17.20	18.29	22.16	
6	Km/Bus on road/Day	214.20	246.70	230.30	220.20	230.10	228.6	
7	Bus Staff Ratio per bus on road	6.89	6.83	6.48	6.04	5.65	5.38	
8	Occupancy Ratio (%)	72.30	54.92	90.18	58.14	60.63	74.12	
9	Fuel Consumption KMPL (HSD)	4.01	3.49	4.26	4.31	4.47	4.6	
10	Average Age of Fleet		5.92	6.33	6.83	5.56	5.11	
Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10								
			2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)		0.05	0.06	0.06	0.06	0.06	0.07
2	Subsidies/Reimbursement from the state (S)		30.85	34.00	37.15	40.29	43.44	46.59
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)		30.91	34.06	37.21	40.36	43.51	46.66
4	Interest received by the State (Int.)		0.01	0.01	0.01	0.00	0.00	0.00
5	Non Passenger Taxes received by the State (NPT)		18.75	21.04	23.33	25.62	27.91	30.20
6	Total Receipts by the State from the STRU (R_{state})(4+5)		18.76	21.04	23.33	25.62	27.91	30.20
7	Burden on the SRTU due to Concessions (B)		76.97	84.11	91.25	98.39	105.53	112.67
8	Effective Receipts by the State (ER_{state})(6+7)		95.73	105.16	114.58	124.01	133.44	142.87
9	Net Flow from the State (NF_{state}) (3-8)		-64.82	-71.10	-77.38	-83.66	-89.93	-96.21

				KERALA									
		Kerala State Road Transport Corporation (KSRTC)											
Table 1: Financial Position of SRTU													
	STOCKS as on 31st March	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	***96.14***	***96.14***	***101.20***	***101.20***	***101.20***	***101.20***	***107.20***	***107.20***	***115.20***	***122.70***	***129.70***	***133.70***
a.	Equity Share Capital contribution by state	77.99	77.99	77.99	77.99	77.99	77.99	83.99	83.99	91.99	99.49	106.49	110.49
b.	Equity Share Capital contribution by centre	18.15	18.15	23.21	23.21	23.21	23.21	23.21	23.21	23.21	23.21	23.21	23.21
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g+h***	***83.72***	***96.88***	***122.23***	***121.43***	***117.40***	***115.83***	***128.96***	***136.56***	***178.01***	***206.49***	***212.38***	
a.	State loans	33.76	43.26	67.98	68.65	70.65	70.65	82.90	82.90	82.90	70.65	70.65	
b.	Debentures	9.45	9.45	9.45	9.45	9.45	9.45	9.45	8.35	8.35	8.35	8.35	
c.	Loan from KTDFC	0.00	0.00	9.97	21.33	24.29	28.95	34.23	44.28	55.82	55.86	87.11	
d.	Loan from HUDCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	64.94	46.27	
e.	Loans from IDBI	28.01	30.02	27.60	16.33	8.89	4.00	0.67	0.00	0.00	0.00	0.00	
f.	Loans fron commercial banks	0.90	3.86										
g.	Loans from LIC	11.08	9.15	7.23	5.67	4.12	2.78	1.71	1.03	0.35	0.00	0.00	
h	Public Deposits	0.52	1.14							5.59	6.69		
I	Others												
	Total External Capital (I+II)	***179.86***	***193.02***	***223.43***	***222.63***	***218.60***	***217.03***	***236.16***	***243.76***	***293.21***	***329.19***	***342.08***	
B.	**INTERNAL CAPITAL**												
I	Reserves/Provisions/Funds	124.50	132.88	142.08	152.49	172.65	189.47	203.67	224.76	239.17	277.50	300	
II	Accumulated profit/losses	-224.55	-254.66	-283.47	-275.05	-293.74	-322.46	-373.76	-447.83	-747.55	-898.77	-1027.7	
	Total Internal Capital (I+II)	***-100.05***	***-121.78***	***-141.39***	***-122.56***	***-121.09***	***-132.99***	***-170.09***	***-223.07***	***-508.38***	***-621.27***	***-727.70***	
C.	***CAPITAL INVESTED (CI) (A+B)***	***79.81***	***71.24***	***82.04***	***100.07***	***97.51***	***84.04***	***66.07***	***20.69***	***-215.17***	***-292.08***	***-385.62***	
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*	142.70	152.33	171.36	185.12	205.05	227.51	254.90	273.86	284.27	351.08	361.75	
a	Net value of buses	118.19	127.37	145.88	157.54	176.01	197.78	223.40	240.40	249.61	310.99	320.57	
b	Net value of other assets	24.51	24.96	25.48	27.58	29.04	29.73	31.50	33.46	34.66	40.09	41.18	
II	Current Assets	35.54	48.08	45.50	54.95	57.46	57.91	63.79	58.58	63.03	58.81	66.93	
III	Current Liabilities	160.00	180.38	197.87	155.62	183.35	215.98	259.34	317.44	570.73	768.97	863.57	
	Capital Employed (CE)(I+II-III)	***18.24***	***20.03***	***18.99***	***84.45***	***79.16***	***69.44***	***59.35***	***15.00***	***-223.43***	***-359.08***	***-434.89***	
E.	***Stock Net Worth (NFA-TOL)***	***58.98***	***55.45***	***49.13***	***63.69***	***87.65***	***111.68***	***125.94***	***137.30***	***106.26***	***144.59***	***149.37***	
F.	***Total Net Worth (CE-TOL)***	***-65.48***	***-76.85***	***-103.24***	***-36.98***	***-38.24***	***-46.39***	***-69.61***	***-121.56***	***-401.44***	***-565.57***	***-647.27***	
	CHANGES IN STOCKS												
	Change in reserves		8.38	9.20	10.41	20.16	16.82	14.20	21.09	14.41	38.33	22.50	
	Change in accumulated profit/losses		-30.11	-28.81	8.42	-18.69	-28.72	-51.30	-74.07	-299.72	-151.22	-128.93	
	Change in capital invested		-8.57	10.80	18.03	-2.56	-13.47	-17.97	-45.38	-235.86	-76.91	-93.54	
	Change in capital employed		1.79	-1.04	65.46	-5.29	-9.72	-10.09	-44.35	-238.43	-135.65	-75.81	
	Change in Net worth		-3.53	-6.32	14.56	23.96	24.03	14.26	11.36	-31.04	38.33	4.78	

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	200.60	225.25	244.33	280.33	309.52	338.63	386.33	406.82	468.58	562.40	605.31	
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	200.60	225.25	244.33	280.33	309.52	338.63	386.33	406.82	468.58	562.40	605.31	
c.	Non-traffic revenue (NTR)	4.36	4.60	5.29	8.01	9.56	7.14	6.77	7.18	6.47	8.53	9.52	
d.	***Total Revenue (TTR) (a+c)***	***204.96***	***229.85***	***249.62***	***288.34***	***319.08***	***345.77***	***393.10***	***414.00***	***475.05***	***570.94***	***614.83***	
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***204.96***	***229.85***	***249.62***	***288.34***	***319.08***	***345.77***	***393.10***	***414.00***	***475.05***	***570.94***	***614.83***	
f.	Burden due to concession in fare	20.00	20.00	21.05	22.50	23.40	15.36	47.30	46.37	45.43	68.24	75.53	
B.	**COST**												
a.	***Personnel Cost***	***108.28***	***111.95***	***118.00***	***111.73***	***141.13***	***175.53***	***213.50***	***232.43***	***309.09***	***361.20***	***365.44***	
b.	***Material Cost***	***76.21***	***88.08***	***104.67***	***103.94***	***120.11***	***115.28***	***142.97***	***159.93***	***186.93***	***245.54***	***268.75***	
	Direct Cost (DC)(a+b)	184.49	200.03	222.67	215.67	261.24	290.81	356.47	392.36	496.02	606.74	634.19	
c.	***Depreciation (I+II) of which***	***11.71***	***13.34***	***12.49***	***17.38***	***19.26***	***21.46***	***23.75***	***26.04***	***27.37***	***31.23***	***35.00***	
I.	Depreciation on buses	11.71	13.34	12.49	17.38	19.26	21.46	23.75	26.04	*27.37*	28.11	33.27	
II.	Depreciation on other assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.12	1.73	
d.	***Interest***	***21.55***	***23.87***	***24.60***	***23.17***	***21.45***	***22.65***	***23.23***	***24.65***	***27.96***	***36.40***	***37.00***	
I	Interest to State Govt										7.42	7.00	
II	Interest on Borrowings	17.16	19.32	24.60	23.17	21.45	22.65	23.23	24.65	27.96	28.98	30.00	
	Net Cost (NC) =TC-PT	***234.49***	***258.11***	***285.32***	***288.27***	***335.76***	***373.80***	***444.11***	***494.38***	***605.48***	***737.68***	***791.78***	
e.	***Taxes (I+II) of which***	***10.20***	***12.31***	***14.80***	***28.37***	***29.23***	***32.13***	***34.23***	***36.71***	***37.31***	***40.08***	***50.99***	
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***10.20***	***12.31***	***14.80***	***28.37***	***29.23***	***32.13***	***34.23***	***36.71***	***37.31***	***40.08***	***50.99***	
(i)	Motor Vehicle Tax	10.20	12.31	14.80	18.74	19.79	20.34	27.53	28.20	29.64	32.78	39.93	
(ii)	Special Road Tax/Other taxes on buses				3.75	3.96	5.61	0.05	0.46	0.66	0.79	0.80	
(iii)	Other Taxes				5.88	5.48	6.18	6.65	8.05	7.01	6.51	10.26	
II.	***Passenger Tax (PT)***												
f.	***Misc. and other costs***	***6.54***	***8.56***	***10.76***	***3.68***	***4.58***	***6.75***	***6.43***	***14.62***	***16.82***	***23.23***	***34.60***	
	Total Cost (TC) (a+b+c+d+e+f)	***234.49***	***258.11***	***285.32***	***288.27***	***335.76***	***373.80***	***444.11***	***494.38***	***605.48***	***737.68***	***791.78***	
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	16.11	25.22	21.66	64.66	48.28	47.82	29.86	14.46	-27.44	-44.34	-28.88	
b	Gross Margin (GM) = (TTR* - DC)	20.47	29.82	26.95	72.67	57.84	54.96	36.63	21.64	-20.97	-35.80	-19.36	
c	Net Margin (NM) = TTR -TC =TTR*-NC	-29.53	-28.26	-35.70	0.07	-16.68	-28.03	-51.01	-80.38	-130.43	-166.74	-176.95	
d	Profit after interest =Profit before tax (NM+NPT)	-19.33	-15.95	-20.90	28.44	12.55	4.10	-16.78	-43.67	-93.12	-126.66	-125.96	
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	91.97	88.80	91.13	76.93	84.40	85.88	92.27	96.45	105.86	107.88	104.77	
b	Cost Recovery Ratio = (TR*/NC)	85.55	87.27	85.63	97.25	92.18	90.59	86.99	82.29	77.39	76.24	76.45	
c	Return on capital invested ((NM+Int)/CI)	-10.00	-6.16	-13.53	23.22	4.89	-6.40	-42.05	-269.36				
d	Return on capital employed ((NM+Int)/CE)	-43.75	-21.92	-58.45	27.52	6.03	-7.75	-46.81	-371.53				

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt	77.99	77.99	77.99	77.99	77.99	77.99	83.99	83.99	91.99	99.49	106.49	110.49
2	State Debt Outstanding			67.98	68.65	70.65	70.65	82.90	82.90	82.90	70.65	70.65	70.65
3	***State Investment in SRTUs (1+2)***	***77.99***	***77.99***	***145.97***	***146.64***	***148.64***	***148.64***	***166.89***	***166.89***	***174.89***	***170.14***	***177.14***	***181.14***
	FLOWS												
4	Increase in State Investment			67.98	0.67	2.00	0.00	18.25	0.00	8.00	-4.75	7.00	4.00
5	Grants/Subsidies received from Govt.							6.00		0.00			
6	***Total receipts by SRTU (4+5) from State***			***67.98***	***0.67***	***2.00***	***0.00***	***24.25***	***0.00***	***8.00***	***-4.75***	***7.00***	***4.00***
7	Interest received by state govt										7.42	7.00	
8	Taxes received by state govt (only NPT)	10.20	12.31	14.80	28.37	29.23	32.13	34.23	36.71	39.20	44.34	50.99	
9	***Total Receipts by the state (7+8) from STRU***	***10.20***	***12.31***	***14.80***	***28.37***	***29.23***	***32.13***	***34.23***	***36.71***	***39.20***	***51.76***	***57.99***	
10	Burden on SRTUs due to Concessions	20.00	20.00	21.05	22.50	23.40	15.36	47.30	46.37	45.43	68.24	75.53	
11	***Effective Receipts by the state (9+10) from STRU***	***30.20***	***32.31***	***35.85***	***50.87***	***52.63***	***47.49***	***81.53***	***83.08***	***84.63***	***120.00***	***133.52***	
12	***Net Flow from State to SRTU (6-11)***			***32.13***	***-50.20***	***-50.63***	***-47.49***	***-57.28***	***-83.08***	***-76.63***	***-124.75***	***-126.52***	
13	Passenger Tax (PT)												

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1 Average No. Buses held	3439	3438		3505	3505	3560	3708	3913	4000	4478	4341
2 Average No. of Buses on Road	2838	2809		2764	2809	2788	2995	3113	3184	3502	3333
3 Fleet Utilisation (%)	82.5	81.7	78.5	78.9	80.1	78.3	80.8	79.6	79.6	78.2	76.8
4 Employment	30572	29820	28346	26872	26570	27512	26383	25010	30074	34335	32256
5 Effc. Kms. Operated (Cr.)	29.20	30.57		31.97	34.17	33.13	36.20	36.94	38.51	36.25	41.98
6 Km/Bus on road/Day		298.2	310.2	321.8	333.4	325.6	331.2	325.1	330.5	283.60	345.1
7 Bus Staff Ratio per bus on road	10.77	10.5	10.31	9.72	9.46	9.87	8.81	8.03	9.4	9.8	9.68
8 Occupancy Ratio (%)		97.23	86.7	86.695	86.69	84.61	81	82.29	90.65	84.53	68.09
9 Fuel Consumption KMPL (HSD)		3.7	3.71	3.775	3.84	3.85	3.89	3.9	3.89	3.95	3.93
10 Average Age of Fleet		6.22	5.58	5.26	4.94	5.17	5.21	5.39	5.57	5.35	4.55

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	8.48	8.79	9.10	9.40	9.71	10.02
2 Subsidies/Reimbursement from the state (S)	0.00	0.00	0.00	0.00	0.00	0.00
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	8.48	8.79	9.10	9.40	9.71	10.02
4 Interest received by the State (Int.)	5.74	5.32	4.90	4.48	4.06	3.64
5 Non Passenger Taxes received by the State (NPT)	59.58	63.21	66.84	70.47	74.10	77.74
6 Total Receipts by the State from the STRU (R_{state})(4+5)	65.32	68.53	71.74	74.95	78.16	81.38
7 Burden on the SRTU due to Concessions (B)	106.71	117.07	127.43	137.80	148.16	158.52
8 Effective Receipts by the State (ER_{state})(6+7)	172.02	185.60	199.17	212.75	226.32	239.90
9 Net Flow from the State (NF_{state}) (3-8)	-163.54	-176.809	-190.078	-203.347	-216.615	-229.884

		MADHYA PRADESH												
		Madhya Pradesh State Road Transport Corporation (MPSRTC)												
Table 1: Financial Position of SRTU													1.4.02 to	1.1.03 to
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**31.12.200**	**31.3.200**
A.	**EXTERNAL CAPITAL**													
I.	***Total Capital Contribution (TCC) (a+b+c)***	***147.49***	***168.27***	***170.26***	***176.56***	***182.37***	***182.37***	***182.37***	***182.37***	***182.37***	***182.37***	***182.37***	***182.37***	***141.79***
a	***Capital contribution (1+2)***	***147.49***	***168.27***	***170.26***	***176.56***	***74.68***	***74.68***	***74.68***	***74.68***	***74.68***	***74.68***	***74.68***	***74.68***	***58.07***
1	State Govt.	117.54	124.00	129.80	135.60	65.45	65.45	65.45	65.45	65.45	65.45	65.45	65.45	50.89
2	Central Govt.	29.95	44.27	40.46	40.96	9.23	9.23	9.23	9.23	9.23	9.23	9.23	9.23	7.18
b	***Share capital (1+2)***					***107.63***	***107.63***	***107.63***	***107.63***	***107.63***	***107.63***	***107.63***	***107.63***	***83.68***
1	State Govt.					75.90	75.90	75.90	75.90	75.90	75.90	75.90	75.9	59.01
2	Central Govt.					31.73	31.73	31.73	31.73	31.73	31.73	31.73	31.73	24.67
c.	**MPSIC (G.E. Works)**					0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***21.81***	***15.45***	***16.03***	***19.00***	***20.43***	***20.66***	***35.70***	***35.20***	***43.16***	***43.16***	***144.76***	***206.06***	***159.8***
a.	State loans							23.50	23.00	22.50	22.50	22.50	22.5	17.5
b	Loan from PNB					3.89	3.89	3.89	3.89	3.89	3.89	3.89		
c.	Loan from SBI					4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.56	3.55
d.	Loans from IDBI	5.79	4.32	2.77	2.73	1.62	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.01
e.	Loans fron commercial banks	10.88	10.78	10.76	10.76	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.31	1.79
F.	Loans from LIC	0.96	0.35	2.50	5.51	8.05	8.05	8.05	8.05	8.05	8.05	8.05	8.05	6.26
	Others	4.38												
g	State Renewal Fund for VRS											101.60	166.79	129.7
	Total External Capital (I+II)	***169.30***	***183.72***	***186.29***	***195.56***	***202.80***	***203.03***	***218.07***	***217.57***	***225.53***	***225.53***	***327.13***	***388.43***	***301.59***
B.	**INTERNAL CAPITAL**													
I	Reserves, incl. revaluation reserves of Rs.470 crore						502.32	525.14	535.83	630.55	630.55	644.98	639.77	497.41
II	Accumulated profit/losses	-159.53	-161.23	-186.50	-225.32	-300.75	-363.74	-430.10	-510.92	-574.44	-574.44	-780.54	-864.52	-688.30
	Total Internal Capital (I+II)	***-159.53***	***-161.23***	***-186.50***	***-225.32***	***-300.75***	***138.58***	***95.04***	***24.91***	***56.11***	***56.11***	***-135.56***	***-224.75***	***-190.89***
C.	***CAPITAL INVESTED (A+B)***	***9.77***	***22.49***	***-0.21***	***-29.76***	***-97.95***	***341.61***	***313.11***	***242.48***	***281.64***	***281.64***	***191.57***	***163.68***	***110.70***
D.	**CAPITAL EMPLOYED**													
I	*Net fixed assets (NFA) of which*	117.79	118.18	123.81	126.11	633.44	627.16	606.34	538.86	608.52	621.53	634.53	622.01	461.07
a	Net value of buses	96.73	97.27	102.09	103.39	103.68	98.34	75.76	76.65	77.54	87.74	97.94	79.91	62.55
b	Net value of other assets	21.06	20.91	21.72	22.72	529.76	528.82	530.58	462.21	530.98	533.79	536.59	542.10	398.52
II	Current Assets	81.06	83.08	91.43	102.69	109.67	123.52	152.64	153.69	162.07	180.88	199.69	211.41	158.52
III	Current Liabilities	219.78	229.88	272.87	327.42	342.27	413.85	465.34	446.45	493.40	570.42	647.43	663.02	526.36
	Capital Employed (CE)(I+II-III)	***-20.93***	***-28.62***	***-57.63***	***-98.62***	***400.84***	***336.83***	***293.64***	***246.10***	***277.19***	***231.99***	***186.79***	***170.40***	***93.23***
E.	***Stock Net Worth (NFA-TOL)***	***95.98***	***102.73***	***107.78***	***107.11***	***613.01***	***606.50***	***570.64***	***503.66***	***565.36***	***578.37***	***489.77***	***415.95***	***301.27***
F.	***Total Net Worth (CE-TOL)***	***-42.74***	***-44.07***	***-73.66***	***-117.62***	***380.41***	***316.17***	***257.94***	***210.90***	***234.03***	***188.83***	***42.03***	***-35.66***	***-66.57***
	Change in reserves						502.32	22.82	10.69	94.72	0.00	14.43	-147.57	
	Change in accumulated profit/losses		-1.70	-25.27	-38.82	-75.43	-62.99	-66.36	-80.82	-63.52	0.00	-206.10	92.24	
	Change in capital invested		12.72	-22.70	-29.55	-68.19	439.56	-28.50	-70.63	39.16	0.00	-90.07	-27.89	-52.98
	Change in capital employed		-7.69	-29.01	-40.99	499.46	-64.01	-43.19	-47.54	31.09	-45.20	-45.20	-16.39	-77.17
	Change in Net worth		6.75	5.05	-0.67	505.90	-6.51	-35.86	-66.98	61.70	13.01	-88.60	-73.82	-114.68

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	31.12.200	31.3.2003
A.	**REVENUE**													
a.	Traffic revenue (TR)	154.54	138.20	152.78	154.36	174.38	168.81	182.74	199.82	219.15	272.19	244.00	172.77	48.64
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	152.53	136.05	150.50	151.80	171.63	165.94	179.66	196.24	214.81	268.60	240.47	170.80	47.99
c.	Non-traffic revenue (NTR)	14.89	2.26	3.78	4.38	4.04	4.98	3.40	3.63	4.60	5.61	3.51	3.96	1.38
d.	***Total Revenue (TTR) (a+c)***	***169.43***	***140.46***	***156.56***	***158.74***	***178.42***	***173.79***	***186.14***	***203.45***	***223.75***	***277.80***	***247.51***	***176.73***	***50.02***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***167.42***	***138.31***	***154.28***	***156.18***	***175.67***	***170.92***	***183.06***	***199.87***	***219.41***	***274.21***	***243.98***	***174.76***	***49.37***
f.	Burden due to concession in fare	0.83	0.83	3.43			9.46	13.52	7.52	12.13		11.65		
B.	**COST**													
a.	***Personnel Cost***	***48.87***	***50.83***	***56.84***	***65.14***	***70.27***	***75.58***	***78.90***	***90.31***	***88.76***	***91.76***	***84.52***	***51.56***	***13.01***
b.	***Material Cost***	***65.31***	***70.64***	***75.23***	***80.40***	***87.29***	***78.98***	***82.88***	***90.38***	***106.40***	***136.86***	***135.41***	***98.92***	***28.32***
	Direct Cost (DC)(a+b)	114.18	121.47	132.07	145.54	157.56	154.56	161.78	180.69	195.16	228.62	219.93	150.48	41.33
c.	***Depreciation (I+II) of which***	***9.47***	***9.30***	***9.02***	***9.14***	***9.16***	***8.36***	***7.29***	***4.57***	***3.99***	***5.28***	***6.60***	***4.11***	***1.39***
I.	Depreciation on buses	9.14	8.84	8.50	8.65	8.67	7.90	4.66	3.77	3.15	3.69	5.54	3.45	1.17
II.	Depreciation on other assets	0.33	0.46	0.52	0.49	0.49	0.46	2.63	0.80	0.84	1.59	1.06	0.66	0.22
d.	***Interest***	**13.50**	**9.07**	**9.87**	**11.66**	**13.72**	**15.70**	**18.45**	**22.51**	**14.36**	**14.65**	**15.35**	**12.15**	**2.96**
I	Interest to State Govt.	6.26	2.56	2.96	3.31	3.75	4.02	4.09	3.92	4.03	4.03	4.07	3.5	0.91
II	Interest on Borrowings	5.47	6.50	6.51	7.79	9.39	11.10	13.78	18.02	9.76	10.04	10.70	8.65	2.05
	Net Cost (NC) =TC-PT	***167.15***	***165.69***	***177.82***	***192.33***	***230.03***	***232.22***	***249.43***	***280.68***	***282.92***	***339.11***	***385.17***	***258.74***	***65.41***
e.	***Taxes (I+II) of which***	***23.71***	***20.22***	***20.24***	***19.59***	***38.96***	***37.64***	***37.36***	***36.97***	***36.57***	***39.47***	***38.82***	***28.24***	***7.99***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***21.70***	***18.07***	***17.96***	***17.03***	***36.21***	***34.77***	***34.28***	***33.39***	***32.23***	***35.88***	***35.29***	***26.27***	***7.34***
(i)	Motor Vehicle Tax	19.28	16.98	16.75	15.58	34.79	33.43	32.61	31.75	30.52	32.44	31.12	23.39	6.4
(ii)	Special Road Tax/Other taxes on buses	0.00	1.09	1.21	1.45	1.42	1.34	1.67	1.64	1.71	0	0		
(iii)	Misc. & other Taxes	2.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.44	4.17	2.88	0.94
II.	***Passenger Tax (PT)***	***2.01***	***2.15***	***2.28***	***2.56***	***2.75***	***2.87***	***3.08***	***3.58***	***4.34***	***3.59***	***3.53***	***1.97***	***0.65***
f.	***Misc. and other costs***	***8.30***	***7.78***	***8.90***	***8.96***	***13.38***	***18.83***	***27.63***	***39.52***	***37.18***	***54.68***	***108.00***	***65.73***	***12.39***
	Total Cost (TC) (a+b+c+d+e+f)	***169.16***	***167.84***	***180.10***	***194.89***	***232.78***	***235.09***	***252.51***	***284.26***	***287.26***	***342.70***	***388.70***	***260.71***	***66.06***
C.	**MARGINS**													
a	Operating Surplus (TR* - DC)	38.35	14.58	18.43	6.26	14.07	11.38	17.88	15.55	19.65	39.98	20.54	20.32	6.66
b	Gross Margin (GM) = (TTR* - DC)	53.24	16.84	22.21	10.64	18.11	16.36	21.28	19.18	24.25	45.59	24.05	24.28	8.04
c	Net Margin (NM) = TTR -TC =TTR*-NC	0.27	-27.38	-23.54	-36.15	-54.36	-61.30	-66.37	-80.81	-63.51	-64.90	-141.19	-83.98	-16.04
d	Profit after interest =Profit before tax (NM+NPT)	21.97	-9.31	-5.58	-19.12	-18.15	-26.53	-32.09	-47.42	-31.28	-29.02	-105.90	-57.71	-8.70
D.	**RATIOS**													
a	Operating Ratio = (DC/TR*)	74.86	89.28	87.75	95.88	91.80	93.14	90.05	92.08	90.85	85.12	91.46	88.10	86.12
b	Cost Recovery Ratio = (TR*/NC)	91.25	82.11	84.64	78.93	74.61	71.46	72.03	69.92	75.93	79.21	62.43	66.01	73.37
c	Return on capital invested ((NM+Int)/CI)	140.94	-81.41				-13.35	-15.30	-24.04	-17.45	-17.84	-65.69	-43.88	
d	Return on capital employed ((NM+Int)/CE)						-13.54	-16.32	-23.69	-17.73	-21.66	-67.37	-42.15	-14.03

Table 2: Fiscal Aspects in relation to the State Govt.														
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**1.4 to 31.12.200**	**1.1 to 31.3.200**
1	Capital Contribution from the State Govt.	117.54	124.00	129.80	135.60	141.40	141.40	141.40	141.40	141.40	141.40	141.40	141.40	109.96
2	State Debt Outstanding	0.00	0.00	0.00	0.00	0.00	0.00	23.50	23.00	22.50	22.50	22.50	22.50	17.5
	State renewal fund for VRS											101.60	166.79	129.7
3	***State Investment in SRTUs (1+2)***	***117.54***	***124.00***	***129.80***	***135.60***	***141.40***	***141.40***	***164.90***	***164.40***	***163.90***	***163.90***	***163.90***	***163.90***	***127.46***
	FLOWS													
4	Increase in State Investment		6.46	5.80	5.80	5.80	0.00	23.50	-0.50	-0.50	0.00	0.00	0.00	-36.44
5	Grants/Subsidies received from Govt.								7.46	12.13	9.98	11.65	8.94	3.00
6	***Total receipts by SRTU (4+5) from State***		***6.46***	***5.80***	***5.80***	***5.80***	***0.00***	***23.50***	***6.96***	***11.63***	***9.98***	***11.65***	***8.94***	***-33.44***
7	Interest received by state govt	6.26	2.56	2.96	3.31	3.75	4.02	4.09	3.92	4.03	4.03	4.07	3.50	0.91
8	Taxes received by state govt (only NPT)	21.70	18.07	17.96	17.03	36.21	34.77	34.28	33.39	32.23	35.88	35.29	25.36	7.05
9	***Total Receipts by the state (7+8) from STRU***	***27.96***	***20.63***	***20.92***	***20.34***	***39.96***	***38.79***	***38.37***	***37.31***	***36.26***	***39.91***	***39.36***	***28.86***	***7.96***
10	Burden on SRTUs due to Concessions	0.83	0.83	3.43	6.10	7.78	9.46	13.52	7.52	12.13	9.98	11.65	9.78	2.16
11	***Effective Receipts by the state (9+10) from STRU***	***28.79***	***21.46***	***24.35***	***26.44***	***47.74***	***48.25***	***51.89***	***44.83***	***48.39***	***49.89***	***51.01***	***38.64***	***10.12***
12	***Net Flow from State to SRTU (6-11)***		***-15.00***	***-18.55***	***-20.64***	***-41.94***	***-48.25***	***-28.39***	***-37.87***	***-36.76***	***-39.91***	***-39.36***	***-29.70***	
	Passenger Tax (PT)	2.01	2.15	2.28	2.56	2.75	2.87	3.08	3.58	4.34	3.59	3.53	3.83	

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**Dec. 200**	**Mar. 2003**
1 Average No. Buses held	2954	2859	2775	2667	2584	2434	2238	2144	2293	2393	2547	2211	2188
2 Average No. of Buses on Road	2404	2246	2232	2174	1941	1606	1778	1758	1810	1843	1876		1665
3 Fleet Utilisation (%)	82.60	78.60	80.40	81.50	75.10	66.00	79.40	77.50	76.20	77.00	73.70		76.1
4 Employment	23087	22879	23028	22805	22609	22035	21635	21092	20155	20160	14695	13928	11204
5 Effc. Kms. Operated (Cr.)	21.96	20.86	20.35	19.11	19.83	17.96	17.02	18.15	18.00	21.20	19.79		17.18
6 Km/Bus on road/Day	250.20	254.50	249.80	240.80	279.90	306.30	262.30	282.90	271.70	289.00	289.00		282.7
7 Bus Staff Ratio per bus on road	9.54	10.19	10.32	10.49	11.65	13.59	12.07	12.78	11.55	8.05	6.59		5.63
8 Occupancy Ratio (%)	70.11	70.78	80.21	78.64	70.26	76.13	72.60	70.57	64.00	59.00	59.03		57.81
9 Fuel Consumption KMPL (HSD)	4.25	4.24	4.19	4.17	4.17	4.00	4.01	4.00	4.00	4.00	4.07		4.04
10 Average Age of Fleet			7.19			9.01	9.83	9.91	9.54		10.67		

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10						
	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1 Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2 Subsidies/Reimbursement from the state (S)	10.80	11.45	12.10	12.76	13.41	14.06
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	10.80	11.45	12.10	12.76	13.41	14.06
4 Interest received by the State (Int.)	3.70	3.82	3.95	4.07	4.19	4.32
5 Non Passenger Taxes received by the State (NPT)	28.21	28.65	29.10	29.54	29.99	30.44
6 Total Receipts by the State from the STRU (R_{state})(4+5)	31.90	32.47	33.04	33.62	34.19	34.76
7 Burden on the SRTU due to Concessions (B)	10.77	11.41	12.06	12.70	13.35	13.99
8 Effective Receipts by the State (ER_{state})(6+7)	42.67	43.89	45.10	46.32	47.53	48.75
9 Net Flow from the State (NF_{state}) (3-8)	-31.87	-32.44	-33.00	-33.56	-34.12	-34.68

				MAHARASHTRA								
		Maharashtra State Road Transport Corporation (MSRTC)										
Table 1: Financial Position of SRTU												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	***165.26***	***174.29***	***175.09***	***194.57***	***194.97***	***194.97***	***194.97***	***194.97***	***194.97***	***194.97***	***201.53***	***203.95***
a.	Equity capital by the state	118.90	127.93	128.73	138.20	138.20	138.20	138.20	138.20	138.20	138.20	138.20	138.20
b.	Equity capital by the centre	46.36	46.36	46.36	56.37	56.77	56.77	56.77	56.77	56.77	56.77	56.77	56.77
c.	Capital contribution by the state (non-interest bearing)				5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18
d.	Capital contribution by the state (5.5% of PT; 6% interest)										113.25	119.18	123.55
e.	Capital grant by state government											1.38	3.80
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***224.32***	***183.33***	***160.82***	***172.33***	***254.94***	***230.47***	***255.17***	***268.49***	***280.81***	***238.52***	***351.45***	***330.83***
a.	Loans from IDBI	88.39	69.50	45.62	23.34	31.85	27.45	34.33	23.70	15.04	6.95	3.01	0.06
b.	Loans fron commercial banks				20.00	26.00	20.00	33.00	78.00	111.75	91.25	137.25	135.50
c.	Loans from LIC	26.02	27.78	28.69	31.59	40.78	44.23	49.72	43.26	36.12	29.46	23.31	17.72
d.	Public Deposits	95.79	75.08	81.79	92.59	102.32	95.65	105.78	101.97	107.12	110.85	187.87	168.56
e.	Others	14.12	10.97	4.72	4.81	53.99	43.14	32.34	21.56	10.78	0.01	0.01	8.99
	Total External Capital (I+II)	***389.58***	***357.62***	***335.91***	***366.90***	***449.91***	***425.44***	***450.14***	***463.46***	***475.78***	***433.49***	***552.98***	***534.78***
B.	**INTERNAL CAPITAL**												
I	Reserves	717.79	527.06	598.23	670.57	734.33	823.02	900.35	1076.33	1194.74	1315.45	1440.93	1587.30
II	Accumulated profit/losses		-1.55	-22.75	0.00	-1.10	-139.53	-309.17	-520.25	-515.89	-621.34	-676.73	-748.64
	Total Internal Capital (I+II)	***717.79***	***525.51***	***575.48***	***670.57***	***733.23***	***683.49***	***591.18***	***556.08***	***678.85***	***694.11***	***764.20***	***838.66***
C.	***CAPITAL INVESTED (CI) (A+B)***	***1107.37***	***883.13***	***911.39***	***1037.47***	***1183.14***	***1108.93***	***1041.32***	***1019.54***	***1154.63***	***1127.60***	***1317.18***	***1373.44***
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*	754.47	847.95	933.93	1025.99	1124.79	1183.72	1243.04	1314.55	1415.52	1498.70	1597.42	1707.57
a	Net value of buses	608.59	668.22	728.43	805.40	882.43	913.83	948.43	991.87	1076.26	1130.27	1215.06	1307.63
b	Net value of other assets	145.88	179.73	205.50	220.59	242.36	269.89	294.61	322.68	339.26	368.43	382.36	399.94
II	Current Assets	148.32	138.78	193.77	162.90	199.99	223.38	149.80	144.52	230.90	169.42	222.86	218.17
III	Current Liabilities	94.47	107.73	213.26	149.66	139.65	295.04	292.31	434.72	559.49	458.38	310.26	230.91
	Capital Employed (CE)(I+II-III)	***808.32***	***879.00***	***914.44***	***1039.23***	***1185.13***	***1112.06***	***1100.53***	***1024.35***	***1086.93***	***1209.74***	***1510.02***	***1694.83***
E.	***Stock Net Worth (NFA-TOL)***	**530.15**	**664.62**	**773.11**	**853.66**	**869.85**	**953.25**	**987.87**	**1046.06**	**1134.71**	**1260.18**	**1245.97**	**1376.74**
F.	***Total Net Worth (CE-TOL)***	**584.00**	**695.67**	**753.62**	**866.90**	**930.19**	**881.59**	**845.36**	**755.86**	**806.12**	**971.22**	**1158.57**	**1364.00**
	CHANGES IN STOCKS												
	Change in reserves		-190.73	71.17	72.34	63.76	88.69	77.33	175.98	118.41	120.71	125.48	146.37
	Change in accumulated profit/losses		-1.55	-21.20	22.75	-1.10	-138.43	-169.64	-211.08	4.36	-105.45	-55.39	-71.91
	Change in capital invested		-224.24	28.26	126.08	145.67	-74.21	-67.61	-21.78	135.09	-27.03	189.58	56.26
	Change in capital employed		70.68	35.44	124.79	145.90	-73.07	-11.53	-76.18	62.58	122.81	300.28	184.81
	Change in Net worth		134.47	108.49	80.55	16.19	83.40	34.62	58.19	88.65	125.47	-14.21	130.77

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	1026.76	1111.57	1298.71	1393.17	1502.15	1544.73	1777.88	1853.57	2201.81	2262.03	2352.98	2445.26
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	857.44	931.17	1087.99	1166.56	1258.18	1296.67	1494.22	1558.47	1871.24	1902.97	1975.35	2053.19
c.	Non-traffic revenue (NTR)	36.59	30.21	31.46	36.82	44.99	52.97	42.62	33.18	41.79	51.25	52.18	53.73
d.	Subsidy / Reimbursement from Govt.										218.58	235.86	228.52
e.	***Total Revenue (TTR) (a+c+d)***	***1063.35***	***1141.78***	***1330.17***	***1429.99***	***1547.14***	***1597.70***	***1820.50***	***1886.75***	***2243.60***	***2531.86***	***2641.02***	***2727.51***
f.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***894.03***	***961.38***	***1119.45***	***1203.38***	***1303.17***	***1349.64***	***1536.84***	***1591.65***	***1913.03***	***1954.22***	***2027.53***	***2106.92***
g.	Burden due to concession in fare	33.47	35.50	44.86	47.58	55.72	72.71	97.86	110.86	160.05	218.58	235.87	228.52
B.	**COST**												
a.	***Personnel Cost***	***360.69***	***409.40***	***498.80***	***569.60***	***625.48***	***721.72***	***781.04***	***842.90***	***998.58***	***1023.20***	***1024.92***	***1003.19***
b.	***Material Cost***	***311.58***	***352.68***	***387.17***	***440.58***	***473.90***	***535.06***	***598.81***	***620.15***	***778.87***	***933.80***	***963.22***	***1024.45***
	Direct Cost (DC)(a+b)	672.27	762.08	885.97	1010.18	1099.38	1256.78	1379.85	1463.05	1777.45	1957.00	1988.14	2027.64
c.	***Depreciation (I+II) of which***	***148.63***	***85.56***	***95.06***	***105.84***	***110.81***	***119.09***	***118.79***	***144.15***	***142.08***	***164.79***	***192.95***	***206.82***
I.	Depreciation on buses	145.06	80.05	88.13	98.35	103.06	109.91	108.83	102.38	93.95	113.18	123.82	144.26
II.	Depreciation on other assets	3.57	5.51	6.93	7.49	7.75	9.18	9.96	41.77	48.13	51.61	69.13	62.56
d.	***Interest***	***45.86***	***40.75***	***36.69***	***23.08***	***30.06***	***36.86***	***38.43***	***40.84***	***42.26***	***39.32***	***43.64***	***46.98***
I	Interest to State Govt.	6.84	7.20	7.67	0.00	0.00	0.00	0.00	0.00	0.00	2.57	9.25	16.37
II	Interest on Borrowings	36.12	30.65	26.13	23.08	30.06	36.86	38.43	40.84	42.26	36.75	34.39	30.61
	Net Cost (NC) =TC-PT	***920.76***	***935.55***	***1068.98***	***1199.87***	***1306.34***	***1485.88***	***1622.53***	***1734.58***	***2069.34***	***2272.94***	***2360.32***	***2416.73***
e.	***Taxes (I+II) of which***	***177.84***	***189.05***	***220.78***	***236.69***	***254.67***	***257.99***	***294.44***	***305.92***	***340.14***	***368.69***	***401.39***	***418.92***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***8.52***	***8.65***	***10.06***	***10.08***	***10.70***	***9.93***	***10.78***	***10.82***	***9.57***	***9.63***	***23.76***	***26.85***
(i)	Motor Vehicle Tax	6.80	6.58	7.98	7.81	8.08	7.28	10.78	10.82	9.57	9.63	10.29	8.71
(ii)	Special Road Tax/Other taxes on buses	0.21	0.26	0.16	0.32	0.25	0.20	0.00	0.00	0.00	0.00	12.38	17.05
(iii)	Misc. & other Taxes	1.51	1.81	1.92	1.95	2.37	2.45	0.00	0.00	0.00	0.00	1.09	1.09
II.	***Passenger Tax (PT)***	***169.32***	***180.40***	***210.72***	***226.61***	***243.97***	***248.06***	***283.66***	***295.10***	***330.57***	***359.06***	***377.63***	***392.07***
f.	***Misc. and other costs***	***45.48***	***38.51***	***41.20***	***50.69***	***55.39***	***63.22***	***74.68***	***75.72***	***97.98***	***102.20***	***111.83***	***108.44***
	Total Cost (TC) (a+b+c+d+e+f)	***1090.08***	***1115.95***	***1279.70***	***1426.48***	***1550.31***	***1733.94***	***1906.19***	***2029.68***	***2399.91***	***2632.00***	***2737.95***	***2808.80***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	185.17	349.49	412.74	382.99	402.77	287.95	398.03	390.52	424.36	305.03	364.84	417.62
b	Gross Margin (GM) = (TTR* - DC)	221.76	199.30	233.48	193.20	203.79	92.86	156.99	128.60	135.58	-2.78	39.39	79.28
c	Net Margin (NM) = TTR -TC =TTR*-NC	-26.73	25.83	50.47	3.51	-3.17	-136.24	-85.69	-142.93	-156.31	-100.14	-96.93	-81.29
d	Profit after interest =Profit before tax (NM+NPT)	-18.21	34.48	60.53	13.59	7.53	-126.31	-74.91	-132.11	-146.74	-90.51	-73.17	-54.44
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	78.40	81.84	81.43	86.59	87.38	96.92	92.35	93.88	94.99	102.84	100.65	98.76
b	Cost Recovery Ratio = (TR*/NC)	93.12	99.53	101.78	97.22	96.31	87.27	92.09	89.85	90.43	83.72	83.69	84.96
c	Return on capital invested ((NM+Int)/CI)	1.73	7.54	9.56	2.56	2.27	-8.96	-4.54	-10.01	-9.88	-5.39	-4.05	-2.50
d	Return on capital employed ((NM+Int)/CE)	2.37	7.57	9.53	2.56	2.27	-8.94	-4.29	-9.97	-10.49	-5.03	-3.53	-2.02

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.	118.90	127.93	128.73	143.38	143.38	143.38	143.38	143.38	143.38	256.63	263.94	270.73
2	State Debt Outstanding												
3	*State Investment in SRTUs (1+2)*	*118.90*	*127.93*	*128.73*	*143.38*	*143.38*	*143.38*	*143.38*	*143.38*	*143.38*	*256.63*	*263.94*	*270.73*
	FLOWS												
4	Increase in State Investment		9.03	0.80	14.65	0.00	0.00	0.00	0.00	0.00	113.25	7.31	6.79
5	Grants/Subsidies received from Govt		0.00	0.00	0.00	0.00	13.67	29.04	36.96	47.79	218.58	235.86	228.52
6	*Total receipts by SRTU (4+5) from State*		*9.03*	*0.80*	*14.65*	*0.00*	*13.67*	*29.04*	*36.96*	*47.79*	*331.83*	*243.17*	*235.31*
7	Interest received by state govt	6.84	7.20	7.67	0.00	0.00	0.00	0.00	0.00	0.00	4.13	9.25	16.77
8	Taxes received by state govt (only NPT)	8.52	8.65	10.06	10.08	10.70	9.93	10.78	10.82	9.57	9.63	10.29	26.85
9	*Total Receipts by the state (7+8) from STRU*	*15.36*	*15.85*	*17.73*	*10.08*	*10.70*	*9.93*	*10.78*	*10.82*	*9.57*	*13.76*	*19.54*	*43.22*
10	Burden on SRTUs due to Concessions	33.47	35.50	44.86	47.58	55.72	72.71	97.86	110.86	160.05	218.58	235.87	228.52
11	*Effective Receipts by the state (9+10) from STRU*	*48.83*	*51.35*	*62.59*	*57.66*	*66.42*	*82.64*	*108.64*	*121.68*	*169.62*	*232.34*	*255.41*	*271.74*
12	*Net Flow from State to SRTU (6-11)*		*-42.32*	*-61.79*	*-43.01*	*-66.42*	*-68.97*	*-79.60*	*-84.72*	*-121.83*	*99.49*	*-12.24*	*-36.43*
13	Passenger Tax (PT)	169.32	180.40	210.72	226.61	243.97	248.06	283.66	295.10	330.57	359.06	377.63	392.07

Table 3: Physical Parameters		1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1	Average No. Buses held	14893	15246	15483	15512	15827	16180	16253	16463	16741	16916	16795	16560
2	Average No. of Buses on Road	12914	13367	13708	14232	14541	14786	14915	15135	15389	15920	15804	15553
3	Fleet Utilisation (%)	86.71	87.68	88.54	91.75	91.87	91.38	91.77	91.93	91.92	94.11	94.10	94.00
4	Employment	112200	113100	111979	112820	111681	112148	113484	111722	112314	112116	110361	106735
5	Effc. Kms. Operated (Cr.)	131.87	137.88	144.90	153.22	158.90	153.30	155.67	160.59	173.88	179.44	178.27	176.56
6	Km/Bus on road/Day	279.76	282.60	289.60	294.96	299.39	284.05	285.95	290.70	309.56	308.80	309.04	311.80
7	Bus Staff Ratio per bus on road	8.08	7.83	7.72	7.36	7.45	7.36	7.39	7.18	7.10	6.86	6.81	6.72
8	Occupancy Ratio (%)	73.76	73.26	69.36	70.35	73.10	72.74	67.50	65.65	63.55	59.76	60.05	58.99
9	Fuel Consumption KMPL (HSD)	4.56	4.59	4.62	4.61	4.62	4.63	4.64	4.64	4.61	4.66	4.70	4.76
10	Average Age of Fleet (in years)		4.42	4.66			5.34	6.02	5.49	6.29	5.46	6.31	6.05

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10							
1	Increase in State Investment (AI)	331.15	365.44	399.73	434.02	468.31	502.60
2	Subsidies/Reimbursement from the state (S)	331.15	365.44	399.73	434.02	468.31	502.60
3	Total receipts by the SRTU from the State (R_{state}) (1+2)	10.45	11.99	13.53	15.07	16.62	18.16
4	Interest received by the State (Int.)	9.71	9.63	9.55	9.47	9.38	9.30
5	Non Passenger Taxes received by the State (NPT)	20.16	21.62	23.08	24.54	26.00	27.46
6	Total Receipts by the State from the STRU (R_{state})(4+5)	331.15	365.44	399.73	434.02	468.31	502.60
7	Burden on the SRTU due to Concessions (B)	351.31	387.06	422.81	458.56	494.31	530.06
8	Effective Receipts by the State (ER_{state})(6+7)	-20.16	-21.62	-23.08	-24.54	-26.00	-27.46
9	Net Flow from the State (NF_{state}) (3-8)						

MANIPUR

Manipur State Road Transport Corporation (MPRSRTC)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**EXTERNAL CAPITAL**											
I.	***Total Capital Contribution (TCC) (a+b)***	*16.95*	*18.11*	*21.12*	*21.32*	*24.67*	*25.53*	*27.67*	*29.14*			
a.	Capital contrinution by state	13.52	14.68	17.69	17.89	21.23	21.24	24.41	25.71			
b.	Capital contrinution by centre	3.43	3.43	3.43	3.43	3.44	4.29	3.26	3.43			
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	*0.00*	*0.00*	*0.00*	*0.00*	*0.04*	*0.00*	*0.00*	*0.00*			
a.	State loans											
b.	Debentures											
c.	Loans from IDBI											
d.	Loans fron commercial banks											
e.	Loans from LIC											
f.	Public Deposits											
g.	Others					0.04						
	Total External Capital (I+II)	*16.95*	*18.11*	*21.12*	*21.32*	*24.71*	*25.53*	*27.67*	*29.14*			
B.	**INTERNAL CAPITAL**											
I	Reserves					8.93						
II	Accumulated profit/losses	-16.70	-18.09	-19.47	-23.14	-27.11	-29.30	-31.76	-34.61			
	Total Internal Capital (I+II)	*-16.70*	*-18.09*	*-19.47*	*-23.14*	*-18.18*	*-29.30*	*-31.76*	*-34.61*			
C.	***CAPITAL INVESTED (CI) (A+B)***	*0.25*	*0.02*	*1.65*	*-1.82*	*6.53*	*-3.77*	*-4.09*	*-5.47*			
D.	**CAPITAL EMPLOYED (CE)**											
I	*Net fixed assets (NFA) of which*	1.43		1.10		11.94	9.58	9.44	9.31			
a	Net value of buses			0.86		2.48						
b	Net value of other assets			0.24		9.46						
II	Current Assets	0.75				10.15						
III	Current Liabilities					3.76						
	Capital Employed (CE)(I+II-III)					*18.33*						
E.	***Stock Net Worth (NFA-TOL)***	*1.43*		*1.10*		*11.90*	*9.58*	*9.44*	*9.31*			
F.	***Total Net Worth (CE-TOL)***					*18.29*						
	CHANGES IN STOCKS											
	Change in reserves		-1.39	-1.39	-3.67	-3.97	-2.19	-2.46	-2.85			
	Change in accumulated profit/losses		-0.23	1.63	-3.47	8.35	-10.30	-0.32	-1.38			
	Change in capital invested						-2.32	-0.14	-0.13			
	Change in capital employed											
	Change in Net worth											

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**											
a.	Traffic revenue (TR)	1.08	0.93	0.58	0.42	0.22	0.27	0.18				
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	1.08	0.92	0.58	0.42	0.22	0.27	0.18				
c.	Non-traffic revenue (NTR)	0.47	0.82	0.55	0.40	0.29	0.75	1.69				
d.	*Total Revenue (TTR) (a+c)*	*1.55*	*1.75*	*1.13*	*0.82*	*0.51*	*1.02*	*1.87*	*0.69*			
e.	*Total Revenue adjusted for PT (TTR*) (b+c)*	*1.55*	*1.74*	*1.13*	*0.82*	*0.51*	*1.02*	*1.87*				
f.	Burden due to concession in fare	0.001	0.001	0.001	0.002	0.003	0.003	0.003	0.003			
B.	**COST**											
a.	*Personnel Cost*	*1.65*	*1.74*	*1.82*		*2.10*						
b.	*Material Cost*	*1.06*	*0.83*	*0.63*		*0.69*						
	Direct Cost (DC)(a+b)	2.71	2.57	2.45		2.79						
c.	*Depreciation (I+II) of which*	*0.00*	*0.00*	*0.17*		*0.30*						
I.	Depreciation on buses	0.00										
II.	Depreciation on other assets	0.00				0.30						
d.	*Interest*	*0.04*	*0.05*	*0.02*								
I	Interest to State Govt.	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02			
II	Interest on Borrowings											
	Net Cost (NC) =TC-PT	*2.82*	*2.96*	*2.91*								
e.	*Taxes (I+II) of which*	*0.07*	*0.03*	*0.03*								
I.	*Non-Passenger Taxes (NPT) (i+ii+iii)*	**0.07**	**0.02**	**0.03**	**0.002**	**0.001**	**0.001**	**0.001**	**0.001**			
(i)	Motor Vehicle Tax	0.07	0.02	0.03	0.002	0.001	0.001	0.001	0.001			
(ii)	Special Road Tax/Other taxes on buses											
(iii)	Misc. & other Taxes											
II.	*Passenger Tax (PT)*		*0.01*									
f.	*Misc. and other costs*		*0.32*	*0.24*								
	Total Cost (TC) (a+b+c+d+e+f)	*2.82*	*2.97*	*2.91*	*3.00*	*3.09*	*3.21*	*3.08*	*3.05*			
C.	**MARGINS**											
a	Operating Surplus (TR* - DC)	-1.63	-1.65	-1.87		-2.57						
b	Gross Margin (GM) = (TTR* - DC)	-1.16	-0.83	-1.32		-2.28						
c	Net Margin (NM) = TTR -TC =TTR*-NC	-1.27	-1.22	-1.78								
d	Profit after interest =Profit before tax (NM+NPT)	-1.20	-1.20	-1.75								
D.	**RATIOS**											
a	Operating Ratio = (DC/TR*)	250.93	279.35	422.41								
b	Cost Recovery Ratio = (TR*/NC)	38.30	31.08	19.93								
c	Return on capital invested ((NM+Int)/CI)	-492.00		-106.67								
d	Return on capital employed ((NM+Int)/CE)											

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Capital Contribution from the State Govt.	13.52	14.68	17.69	17.89	21.23	21.24	24.41	25.71			
2	State Debt Outstanding											
3	***State Investment in SRTUs (1+2)***	***13.52***	***14.68***	***17.69***	***17.89***	***21.23***	***21.24***	***24.41***	***25.71***			
	FLOWS											
4	Increase in State Investment		1.16	3.01	0.20	3.34	0.01	3.17	1.30			
5	Grants/Subsidies received from Govt.											
6	***Total receipts by SRTU (4+5) from State***		***1.16***	***3.01***	***0.20***	***3.34***	***0.01***	***3.17***	***1.30***			
7	Interest received by state govt	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02			
8	Taxes received by state govt (only NPT)	0.07	0.02	0.03	0.002	0.001	0.001	0.001	0.001			
9	***Total Receipts by the state (7+8) from STRU***	***0.09***	***0.040***	***0.050***	***0.022***	***0.021***	***0.021***	***0.021***	***0.021***			
10	Burden on SRTUs due to Concessions	0.001	0.001	0.001	0.002	0.003	0.003	0.003	0.003			
11	***Effective Receipts by the state (9+10) from STRU***	***0.09***	***0.04***	***0.05***	***0.02***	***0.02***	***0.02***	***0.02***	***0.02***			
12	***Net Flow from State to SRTU (6-11)***		***1.12***	***2.96***	***0.18***	***3.32***	***-0.01***	***3.15***	***1.27***			
13	Passenger Tax (PT)		0.01									

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1 Average No. Buses held	65	53			30	27	25				
2 Average No. of Buses on Road	27	21			6	8	4				
3 Fleet Utilisation (%)	39.60	39.60	32.60		20.00	29.60	14.80				
4 Employment	680	620			470	468	429				
5 Effc. Kms. Operated (Cr.)						0.06	0.04				
6 Km/Bus on road/Day	164.90		162.00		164.80	233.90	264.40				
7 Bus Staff Ratio per bus on road	25.19	29.52	41.43		78.33	58.50	107.25				
8 Occupancy Ratio (%)	74.00		60.13		66.35	66.00	52.94				
9 Fuel Consumption KMPL (HSD)	3.45		3.43		3.42	3.77	3.58				
10 Average Age of Fleet			6.23		6.40	6.36					

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10											
	Manipur	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**				
1	Increase in State Investment (ΔI)	1.12	1.03	0.95	0.86	0.78	0.69				
2	Subsidies/Reimbursement from the state (S)										
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	1.12	1.03	0.95	0.86	0.78	0.69				
4	Interest received by the State (Int.)	0.02	0.02	0.02	0.02	0.02	0.02				
5	Non Passenger Taxes received by the State (NPT)		0.00	0.00	0.00	0.00	0.00				
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.02	0.02	0.02	0.02	0.02	0.02				
7	Burden on the SRTU due to Concessions (B)	0.01	0.01	0.02	0.02	0.03	0.03				
8	Effective Receipts by the State (ER_{state})(6+7)	0.03	0.03	0.04	0.04	0.05	0.05				
9	Net Flow from the State (NF_{state}) (3-8)	1.08	1.00	0.91	0.82	0.73	0.64				

MIZORAM

Mizoram State Transport (MZST)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**EXTERNAL CAPITAL**											
I.	***Total Capital Contribution (TCC) (a+b)***				***5.24***	***12.11***	***12.95***					***0.91***
a.	Capital contrinution by state				5.24	12.11	12.95					0.91
b.	Capital contrinution by centre											
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***											
a.	State loans											
b.	Debentures											
c.	Loans from IDBI											
d.	Loans fron commercial banks											
e.	Loans from LIC											
f.	Public Deposits											
g.	Others											
	Total External Capital (I+II)											
B.	**INTERNAL CAPITAL**											
I	Reserves											
II	Accumulated profit/losses											
	Total Internal Capital (I+II)											
C.	**CAPITAL INVESTED (CI) (A+B)**											
D.	**CAPITAL EMPLOYED (CE)**											
I	*Net fixed assets (NFA) of which*				4.75	4.91	4.86					
a	Net value of buses				2.7	2.89	2.82					
b	Net value of other assets				2.05	2.02	2.04					
II	Current Assets				0.49	0.3	0.80					
III	Current Liabilities											
	Capital Employed (CE)(I+II-III)											
E.	***Stock Net Worth (NFA-TOL)***											
F.	***Total Net Worth (CE-TOL)***											
	CHANGES IN STOCKS											
	Change in reserves											
	Change in accumulated profit/losses											
	Change in capital invested											
	Change in capital employed											
	Change in Net worth											

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**											
a.	Traffic revenue (TR)	0.96	1.06		1.21	1.43	1.53	1.79	1.56	1.82	1.74	1.48
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	0.96	1.06		1.21	1.43	1.51	1.79	1.56	1.82	1.74	1.48
c.	Non-traffic revenue (NTR)	0.00	0.00		0.05	0.14	0.28	0.31	0.06	0.16	0.19	0.12
d.	***Total Revenue (TTR) (a+c)***	***0.96***	***1.06***		***1.26***	***1.57***	***1.81***	***2.10***	***1.62***	***1.98***	***1.93***	***1.60***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	*0.96*	*1.06*		*1.26*	*1.57*	*1.79*	*2.10*	*1.62*	*1.98*	*1.93*	*1.60*
f.	Burden due to concession in fare											
B.	**COST**											
a.	***Personnel Cost***	*0.81*	*2.60*		*3.16*	*4.06*	*4.18*	*4.15*	*3.58*	*5.64*	*6.27*	*7.19*
b.	***Material Cost***	***1.29***	***1.32***		***1.45***	***2.64***	***2.76***	***2.62***	***1.82***	***1.80***	***1.71***	***2.19***
	Direct Cost (DC)(a+b)	2.10	3.92		4.61	6.70	6.94	6.77	5.40	7.44	7.98	9.38
c.	***Depreciation (I+II) of which***	***0.00***	***0.00***		***0.00***	***0.56***	***0.56***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
I.	Depreciation on buses					0.46	0.45					
II.	Depreciation on other assets					0.10	0.11					
d.	***Interest***											
I	Interest to State Govt.											
II	Interest on Borrowings											
	Net Cost (NC) =TC-PT	*2.10*	*3.92*		*4.61*	*8.06*	*8.38*	*6.77*	*5.43*	*7.44*	*7.98*	*9.38*
e.	***Taxes (I+II) of which***					***0.80***	***0.90***				*0.00*	*0.00*
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***					***0.80***	***0.88***					
(i)	Motor Vehicle Tax					0.80	0.88					
(ii)	Special Road Tax/Other taxes on buses											
(iii)	Misc. & other Taxes											
II.	***Passenger Tax (PT)***						***0.02***				*0.002*	*0.002*
f.	***Misc. and other costs***								*0.03*			
	Total Cost (TC) (a+b+c+d+e+f)	*2.10*	*3.92*		*4.61*	*8.06*	*8.40*	*6.77*	*5.43*	*7.44*	*7.98*	*9.38*
C.	**MARGINS**											
a	Operating Surplus (TR* - DC)	-1.14	-2.86		-3.40	-5.27	-5.43	-4.98	-3.84	-5.62	-6.24	-7.90
b	Gross Margin (GM) = (TTR* - DC)	-1.14	-2.86		-3.35	-5.13	-5.15	-4.67	-3.78	-5.46	-6.05	-7.78
c	Net Margin (NM) = TTR -TC =TTR*-NC	-1.14	-2.86		-3.35	-6.49	-6.59	-4.67	-3.81	-5.46	-6.05	-7.78
d	Profit after interest =Profit before tax (NM+NPT)	-1.14	-2.86		-3.35	-5.69	-5.71	-4.67	-3.81	-5.46	-6.05	-7.78
D.	**RATIOS**											
a	Operating Ratio = (DC/TR*)	218.75	369.81		380.99	468.53	459.60	378.21	346.15	408.79	459.15	634.64
b	Cost Recovery Ratio = (TR*/NC)	45.71	27.04		26.25	17.74	18.02	26.44	28.73	24.46	21.78	15.76
c	Return on capital invested ((NM+Int)/CI)											
d	Return on capital employed ((NM+Int)/CE)											

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Capital Contribution from the State Govt.				5.24	12.11	12.95					0.91
2	State Debt Outstanding											
3	***State Investment in SRTUs (1+2)***				***5.24***	***12.11***	***12.95***					***0.91***
	FLOWS											
4	Increase in State Investment					6.87	0.84					
5	Grants/Subsidies received from Govt.											
6	***Total receipts by SRTU (4+5) from State***					***6.87***	***0.84***					
7	Interest received by state govt											
8	Taxes received by state govt (only NPT)					0.80	0.88					
9	***Total Receipts by the state (7+8) from STRU***					***0.80***	***0.88***					
10	Burden on SRTUs due to Concessions											
11	***Effective Receipts by the state (9+10) from STRU***											
12	***Net Flow from State to SRTU (6-11)***					***6.07***	***-0.04***					
13	Passenger Tax (PT)											
Table 3: Physical Parameters		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Average No. Buses held	125	101	110	111	114	101	91	81	80	93	88
2	Average No. of Buses on Road	56	43	44	47	40	37	40	39	41	39	37
3	Fleet Utilisation (%)	44.80	42.60	40.00	42.30	35.10	36.60	44.00	48.10	31.30	36.50	42.00
4	Employment	771	752	771	771	771	771	771	831	831	831	831
5	Effc. Kms. Operated (Cr.)	0.18	0.19	0.18	0.18	0.18	0.17	0.19	0.18	0.17	0.16	0.16
6	Km/Bus on road/Day	118.40	118.70	110.90	105.90	123.20	128.50	115.70	118.40	119.60	118.60	116.30
7	Bus Staff Ratio per bus on road	13.53	17.52	17.52	15.22	19.77	20.84	17.49	21.31	20.27	21.31	22.46
8	Occupancy Ratio (%)	62.52	71.09	68.32	66.19	58.95	64.88	69.93	62.52	62.95	52.32	72.00
9	Fuel Consumption KMPL (HSD)	3.00	3.20	3.02	3.02	3.02	3.00	3.00	3.00	3.10	2.87	2.60
10	Average Age of Fleet		4.70			5.80	6.00	5.90				7.76

				Nagaland State Transport (NGST)								
Table 1: Financial Position of SRTU												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
A.	**EXTERNAL CAPITAL**											
I.	***Total Capital Contribution (TCC) (a+b)***	***45.75***	***49.38***	***55.06***	***60.98***	***69.98***	***80.15***	***91.52***	***102.67***	***113.14***	***122.8***	***135.88***
a.	Capital contrinution by state	45.75	49.38	55.06	60.98	69.98	80.15	91.52	102.67	113.14	122.80	135.88
b.	Capital contrinution by centre											
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***											
a.	State loans											
b.	Debentures											
c.	Loans from IDBI											
d.	Loans fron commercial banks											
e.	Loans from LIC											
f.	Public Deposits											
g.	Others											
	Total External Capital (I+II)											
B.	**INTERNAL CAPITAL**											
I	Reserves											
II	Accumulated profit/losses	-41.58	-45.05	-49.94	-57.15	-65.16	-74.17	-84.00	-94.00	-103.84	-115.38	-126.63
	Total Internal Capital (I+II)											
C.	***CAPITAL INVESTED (CI) (A+B)***											
D.	**CAPITAL EMPLOYED (CE)**											
I	*Net fixed assets (NFA) of which*	13.37	13.52	14.32	13.04	14.00	15.15	17.17	19.19	21.12	21.56	21.48
a	Net value of buses											
b	Net value of other assets											
II	Current Assets											
III	Current Liabilities											
	Capital Employed (CE)(I+II-III)											
E.	***Stock Net Worth (NFA-TOL)***											
F.	***Total Net Worth (CE-TOL)***											
	CHANGES IN STOCKS											
	Change in reserves											
	Change in accumulated profit/losses		-3.47	-4.89	-7.21	-8.01	-9.01	-9.83	-10.00	-9.84	-11.54	-11.25
	Change in capital invested											
	Change in capital employed											
	Change in Net worth											

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**											
a.	Traffic revenue (TR)	2.93	3.01	3.36	2.61	1.85	1.77	1.86	2.31	3.52	4.82	4.87
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	2.93	3.01	3.36	2.61	1.85	1.77	1.86	2.31	3.52	4.82	4.87
c.	Non-traffic revenue (NTR)	0.31	0.18	0.32	0.06	0.3	0.42	0.62	0.19	0.32	0.34	0.4
d.	***Total Revenue (TTR) (a+c)***	***3.24***	***3.19***	***3.68***	***2.67***	***2.15***	***2.19***	***2.48***	***2.50***	***3.84***	***5.16***	***5.27***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***3.24***	***3.19***	***3.68***	***2.67***	***2.15***	***2.19***	***2.48***	***2.50***	***3.84***	***5.16***	***5.27***
f.	Burden due to concession in fare		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
B.	**COST**											
a.	***Personnel Cost***	***2.69***	***3.04***	***3.43***	***5.37***	***5.09***	***5.78***	***6.08***	***6.28***	***7.27***	***8.32***	***9.34***
b.	***Material Cost***	***3.62***	***2.36***	***3.34***	***3***	***3.59***	***3.18***	***3.25***	***3.31***	***6.06***	***5.89***	***4.62***
	Direct Cost (DC)(a+b)	6.31	5.4	6.77	8.37	8.68	8.96	9.33	9.59	13.33	14.21	13.96
c.	***Depreciation (I+II) of which***	***1.14***	***1.25***	***1.26***	***1.29***	***1.17***	***2.19***					
I.	Depreciation on buses	0.97	1.06	1.08	1.11	1	1.77					
II.	Depreciation on other assets	0.17	0.19	0.18	0.18	0.17	0.42					
d.	***Interest***	***2.57***	***2.85***									
I	Interest to State Govt.	2.57	2.85									
II	Interest on Borrowings											
	Net Cost (NC) =TC-PT	***10.18***	***9.51***	***8.57***	***9.87***	***10.16***	***11.33***	***9.50***	***9.59***	***13.38***	***14.21***	***14.06***
e.	***Taxes (I+II) of which***	***0.05***		***0.21***	***0.001***	***0.09***	***0.01***	***0.02***		***0.05***		***0.1***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***0.05***		**0.21**	**0.001**	**0.09**	**0.01**	**0.02**	**0.03**	**0.05**	**0.08**	**0.10**
(i)	Motor Vehicle Tax	0.05		0.10				0.017		0.05		0.1
(ii)	Special Road Tax/Other taxes on buses											
(iii)	Misc. & other Taxes			0.11	0.001	0.09	0.01	0.003				
II.	***Passenger Tax (PT)***											
f.	***Misc. and other costs***	***0.11***	***0.01***	***0.33***	***0.21***	***0.22***	***0.17***	***0.15***				
	Total Cost (TC) (a+b+c+d+e+f)	***10.18***	***9.51***	***8.57***	***9.87***	***10.16***	***11.33***	***9.50***	***9.59***	***13.38***	***14.21***	***14.06***
C.	**MARGINS**											
a	Operating Surplus (TR* - DC)	-3.38	-2.39	-3.41	-5.76	-6.83	-7.19	-7.47	-7.28	-9.81	-9.39	-9.09
b	Gross Margin (GM) = (TTR* - DC)	-3.07	-2.21	-3.09	-5.70	-6.53	-6.77	-6.85	-7.09	-9.49	-9.05	-8.69
c	Net Margin (NM) = TTR -TC =TTR*-NC	-6.94	-6.32	-4.89	-7.20	-8.01	-9.14	-7.02	-7.09	-9.54	-9.05	-8.79
d	Profit after interest =Profit before tax (NM+NPT)	-6.89	-6.32	-4.68	-7.20	-7.92	-9.13	-7.00	-7.06	-9.49	-8.97	-8.69
D.	**RATIOS**											
a	Operating Ratio = (DC/TR*)	215.36	179.40	201.49	320.69	469.19	506.21	501.61	415.15	378.69	294.81	286.65
b	Cost Recovery Ratio = (TR*/NC)	28.78	31.65	39.21	26.44	18.21	15.62	19.58	24.09	26.31	33.92	34.64
c	Return on capital invested ((NM+Int)/CI)											
d	Return on capital employed ((NM+Int)/CE)											

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Capital Contribution from the State Govt.	45.75	49.38	55.06	60.98	69.98	80.15	91.52	102.67	113.14	122.80	135.88
2	State Debt Outstanding											
3	***State Investment in SRTUs (1+2)***	***45.75***	***49.38***	***55.06***	***60.98***	***69.98***	***80.15***	***91.52***	***102.67***	***113.14***	***122.80***	***135.88***
	FLOWS											
4	Increase in State Investment		3.63	5.68	5.92	9.00	10.17	11.37	11.15	10.47	9.66	13.08
5	Grants/Subsidies received from Govt.											
6	***Total receipts by SRTU (4+5) from State***		***3.63***	***5.68***	***5.92***	***9.00***	***10.17***	***11.37***	***11.15***	***10.47***	***9.66***	***13.08***
7	Interest received by state govt	2.57	2.85									
8	Taxes received by state govt (only NPT)	0.05		0.21	0.001	0.09	0.01	0.02	0.03	0.05	0.08	0.10
9	***Total Receipts by the state (7+8) from STRU***	***2.62***	***2.85***	***0.21***	***0.001***	***0.09***	***0.01***	***0.02***	***0.03***	***0.05***	***0.08***	***0.10***
10	Burden on SRTUs due to Concessions		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
11	***Effective Receipts by the state (9+10) from STRU***	***2.62***	***2.86***	***0.22***	***0.01***	***0.10***	***0.02***	***0.03***	***0.04***	***0.06***	***0.09***	***0.11***
12	***Net Flow from State to SRTU (6-11)***		***0.77***	***5.46***	***5.91***	***8.90***	***10.15***	***11.34***	***11.11***	***10.41***	***9.57***	***12.97***
13	Passenger Tax (PT)											
Table 3: Physical Parameters		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Average No. Buses held	211	218	198	118	198	208	189		184	151	142
2	Average No. of Buses on Road	121	114	99	96	60	60	50		96	86	89
3	Fleet Utilisation (%)	57.30	52.30	50.00	44.90	30.30	28.80	24.00		52.20	57.00	62.70
4	Employment	1045	1045	1045	1046	1046	1046	1046		1050	1050	1050
5	Effc. Kms. Operated (Cr.)	0.57	0.51	0.51	0.39	0.28	0.21	0.22		0.37	0.42	0.43
6	Km/Bus on road/Day	129.06	121.80	142.30	111.30	129.40	95.20	121.10		103.90	132.50	132.40
7	Bus Staff Ratio per bus on road	8.86	9.59	10.55	10.90	17.12	17.12	20.92		10.94	12.21	11.80
8	Occupancy Ratio (%)	75.95	75.77	69.30	68.19	83.51	60.58	65.54		62.47	73.00	72.00
9	Fuel Consumption KMPL (HSD)		3.80	3.80		3.50	3.50	3.20		3.50	3.50	3.50
10	Average Age of Fleet		3.30	3.97		5.09	5.09			4.50	6.75	6.75
Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10												
	Nagaland		**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**				
1	Increase in State Investment (ΔI)		12.36	12.61	12.86	13.11	13.36	13.61				
2	Subsidies/Reimbursement from the state (S)											
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)		12.36	12.61	12.86	13.11	13.36	13.61				
4	Interest received by the State (Int.)											
5	Non Passenger Taxes received by the State (NPT)		0.15	0.17	0.19	0.21	0.22	0.24				
6	Total Receipts by the State from the STRU (R_{state})(4+5)		0.15	0.17	0.19	0.21	0.22	0.24				
7	Burden on the SRTU due to Concessions (B)		0.01	0.01	0.01	0.01	0.01	0.01				
8	Effective Receipts by the State (ER_{state})(6+7)		0.16	0.18	0.20	0.22	0.23	0.25				
9	Net Flow from the State (NF_{state}) (3-8)		12.20	12.43	12.66	12.89	13.12	13.35				

				ORISSA								
Table 1: Financial Position of SRTU				Orissa State Road Transport Corporation (OSRTC)								
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (i+ii+iii)***	**83.62**	**95.49**	**95.51**	**111.93**	**115.88**	**122.99**	**125.10**	**125.09**	**129.49**	**136.39**	**136.39**	**136.39**
i	**Capital Contribution Loan**	83.62	95.49	95.51	111.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a.	State Government	67.70	79.57	79.59	96.01	0	0		0	0	0	0	0
b.	Central Governemt	15.92	15.92	15.92	15.92	0	0	0	0	0	0	0	0
ii	**Capital Contribution Share**	0	0	0	0	115.88	122.83	125.10	125.09	125.09	125.09	125.09	125.09
a.	State Government					99.95	106.9	109.17	109.17	109.17	109.17	109.17	109.17
b.	Central Governemt					15.92	15.92	15.92	15.92	15.92	15.92	15.92	15.92
c.	Private holders					0.008	0.008	0.008	0.003	0.0003	0.0003	0.0003	0.0003
iii	**Advance Share Capital**	0	0	0	0	0	0.16	0	0	4.4	11.3	11.3	11.3
a.	State Government					0	0	0	0	4.4	11.3	11.3	11.3
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***33.70***	***32.79***	***32.80***	***28.23***	***34.63***	***31.92***	***41.19***	***43.20***	***38.76***	***67.19***	***71.12***	***52.64***
a.	State loans					14.49	15.5	21.14	22.67	24.2	21.49	23.02	35.63
b	Loans from IDBI	4.84	26.55	26.55			6.31	5.94	5.94		7.36	7.10	0.38
c.	Loans fron commercial banks	3.36	2.89	2.89			0.93	0.93	2.58	3.05	24.34	25.20	0.89
d.	Loans from LIC		3.35	3.36			6.42	6.42	6.42	6.42	12.26	14.10	14.1
E.	Loan from HUDCO/BDA						1.56	1.56			0.89		1.64
F.	Others	25.50				20.14	1.2	5.21	5.59	5.09	0.84	1.7	
	Total External Capital (I+II)	***117.32***	***128.28***	***128.31***	***140.16***	***150.51***	***154.91***	***166.29***	***168.29***	***168.25***	***203.58***	***207.51***	***189.03***
B.	**INTERNAL CAPITAL**												
I	Reserves	22.83	23.17	27.77	31.27	34.79	37.92	38.64	41.50	45.00	48.20	52.02	54.14
II	Accumulated profit/losses	-110.15	-118.48	-124.72	-132.56	-143.12	-156.63	-194.94	-213.82	-223.48	-264.43	-269.95	-248.88
	Total Internal Capital (I+II)	**-87.32**	**-95.31**	**-96.95**	**-101.29**	**-108.33**	**-118.71**	**-156.30**	**-172.32**	**-178.48**	**-216.23**	**-217.93**	**-194.74**
C.	***CAPITAL INVESTED (CI) (A+B)***	***30.00***	***32.97***	***31.36***	***38.87***	***42.18***	***36.20***	***9.99***	***-4.03***	***-10.23***	***-12.65***	***-10.42***	***-5.71***
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*	45.98	55.95	58.15	28.16	23.65	21.51	21.14	19.56	18.50	11.79	12.59	13.09
a	Net value of buses	40.56	50.42	52.62				11.00	11.80	11.59	6.81	7.66	8.23
b	Net value of other assets	5.42	5.53	5.53				10.14	7.76	6.91	4.98	4.93	4.86
II	Current Assets	12.77	10.77	11.59	11.58	10.34	12.56	12.54	13.46	16.30	19.75	21.74	22.78
III	Current Liabilities	29.34	35.66	38.52	45.69	44.58	52.79	58.24	70.77	79.66	90.59	94.95	93.93
	Capital Employed (CE)(I+II-III)	***29.41***	***31.06***	***31.22***	***-5.95***	***-10.59***	***-18.72***	***-24.56***	***-37.75***	***-44.86***	***-59.05***	***-60.62***	***-58.06***
E.	***Stock Net Worth (NFA-TOL)***	***12.28***	***23.16***	***25.35***	***-0.07***	***-10.98***	***-10.41***	***-20.05***	***-23.64***	***-20.26***	***-55.40***	***-58.53***	***-39.55***
F.	***Total Net Worth (CE-TOL)***	***-4.29***	***-1.73***	***-1.58***	***-34.18***	***-45.22***	***-50.64***	***-65.75***	***-80.95***	***-83.62***	***-126.24***	***-131.74***	***-110.70***
	CHANGES IN STOCKS												
	Change in reserves		0.34	4.60	3.50	3.52	3.13	0.72	2.86	3.50	3.20	3.82	2.12
	Change in accumulated profit/losses		-8.33	-6.24	-7.84	-10.56	-13.51	-38.31	-18.88	-9.66	-40.95	-5.52	21.07
	Change in capital invested		2.97	-1.61	7.51	3.31	-5.98	-26.21	-14.02	-6.20	-2.42	2.23	4.71
	Change in capital employed		1.65	0.16	-37.17	-4.64	-8.13	-5.84	-13.19	-7.11	-14.19	-1.57	2.56
	Change in Net worth		10.88	2.19	-25.42	-10.91	0.57	-9.64	-3.59	3.38	-35.14	-3.13	18.98

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	34.05	38.51	43.4	37.9	31.81	24.51	19.83	20.61	22.17	25.92	27.23	28.64
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	34.05	38.51	43.40	37.90	31.81	24.51	19.83	20.61	22.17	25.92	27.23	28.64
c.	Non-traffic revenue (NTR)	1.27	1.17	0.9	4.38	2.62	2.11	2.66	4.14	3.76	3.66	4.02	4.05
d.	***Total Revenue (TTR) (a+c)***	***35.32***	***39.68***	***44.30***	***42.28***	***34.43***	***26.62***	***22.49***	***24.75***	***25.93***	***29.58***	***31.25***	***32.69***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***35.32***	***39.68***	***44.30***	***42.28***	***34.43***	***26.62***	***22.49***	***24.75***	***25.93***	***29.58***	***31.25***	***32.69***
f.	Burden due to concession in fare	1.60	1.70	3.20	3.06	2.98	2.91	2.40	2.29	2.23	2.17	2.29	1.75
B.	**COST**												
a.	***Personnel Cost***	***11.75***	***13.04***	***14.15***	***19.7***	***18.55***	***17.09***	***15.39***	***14.88***	***11.76***	***14.14***	***8.93***	***7.42***
b.	***Material Cost***	***16.53***	***16.58***	***18.04***	***19.9***	***18.45***	***14.64***	***13.64***	***12.02***	***13.06***	***15.97***	***16.24***	***16.7***
	Direct Cost (DC)(a+b)	28.28	29.62	32.19	39.6	37.00	31.73	29.03	26.9	24.82	30.11	25.17	24.12
c.	***Depreciation (I+II) of which***	***4.37***	***4.97***	***4.78***	***3.40***	***3.97***	***3.39***	***2.96***	***3.09***	***3.23***	***2.38***	***2.38***	***2.10***
I.	Depreciation on buses	4.37				3.77	3.2	2.77	2.89	3.04	2.19	2.19	1.95
II.	Depreciation on other assets	0				0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.15
d.	***Interest***	***4.95***	***3.75***	***3.56***	***4.61***	***0.68***	***1.12***	***0.14***	***3.44***	***2.94***	***5.02***	***5.39***	***1.53***
I	Interest to State Govt.	4.95					0.16		1.91	1.41	1.53	1.53	1.53
II	Interest on Borrowings	0.00				0.68	0.96	0.14	1.53	1.53	3.49	3.86	0
	Net Cost (NC) =TC-PT	***47.09***	***48.03***	***50.54***	***51.96***	***45.52***	***38.85***	***37.21***	***43.47***	***35.73***	***41.12***	***36.77***	***32.17***
e.	***Taxes (I+II) of which***	***3.94***	***4.11***	***4.82***	***3.33***	***3.03***	***2.61***	***2.13***	***2.16***	***1.99***	***1.65***	***1.99***	***2.19***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***3.94***	***4.11***	***4.82***	***3.33***	***3.03***	***2.61***	***2.13***	***2.16***	***1.99***	***1.65***	***1.99***	***2.19***
(i)	Motor Vehicle Tax	3.94	4.11	4.82	3.33	2.96	2.54	2.07	2.16	1.85	1.62	1.95	2.13
(ii)	Special Road Tax/Other taxes on buses												
(iii)	Misc. & other Taxes					0.07	0.07	0.06		0.14	0.03	0.04	0.06
II.	***Passenger Tax (PT)***												
f.	***Misc. and other costs***	***5.55***	***5.58***	***5.19***	***1.02***	***0.84***		***2.95***	***7.88***	***2.75***	***1.96***	***1.84***	***2.23***
	Total Cost (TC) (a+b+c+d+e+f)	***47.09***	***48.03***	***50.54***	***51.96***	***45.52***	***38.85***	***37.21***	***43.47***	***35.73***	***41.12***	***36.77***	***32.17***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	5.77	8.89	11.21	-1.70	-5.19	-7.22	-9.20	-6.29	-2.65	-4.19	2.06	4.52
b	Gross Margin (GM) = (TTR* - DC)	7.04	10.06	12.11	2.68	-2.57	-5.11	-6.54	-2.15	1.11	-0.53	6.08	8.57
c	Net Margin (NM) = TTR -TC =TTR*-NC	-11.77	-8.35	-6.24	-9.68	-11.09	-12.23	-14.72	-18.72	-9.80	-11.54	-5.52	0.52
d	Profit after interest =Profit before tax (NM+NPT)	-7.83	-4.24	-1.42	-6.35	-8.06	-9.62	-12.59	-16.56	-7.81	-9.89	-3.53	2.71
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	83.05	76.92	74.17	104.49	116.32	129.46	146.39	130.52	111.95	116.17	92.43	84.22
b	Cost Recovery Ratio = (TR*/NC)	72.31	80.18	85.87	72.94	69.88	63.09	53.29	47.41	62.05	63.04	74.05	89.03
c	Return on capital invested ((NM+Int)/CI)	-22.73	-13.95	-8.55	-13.04	-24.68	-30.69	-145.98	379.44	67.06	51.54	1.25	-35.90
d	Return on capital employed ((NM+Int)/CE)	-23.19	-14.81	-8.58	85.21	98.30	59.35	59.36	40.48	15.29	11.04	0.21	-3.53

Table 2: Fiscal Aspects in relation to the State Govt.													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.	67.7	79.57	79.59	96.01	99.95	106.9	109.17	109.17	113.57	120.47	120.47	120.47
2	State Debt Outstanding					14.49	15.5	21.14	22.67	24.2	21.49	23.02	35.63
3	***State Investment in SRTUs (1+2)***	***67.70***	***79.57***	***79.59***	***96.01***	***114.44***	***122.40***	***130.31***	***131.84***	***137.77***	***141.96***	***143.49***	***156.10***
	FLOWS												
4	Increase in State Investment		11.87	0.02	16.42	18.43	7.96	7.91	1.53	5.93	4.19	1.53	12.61
5	Grants/Subsidies received from Govt.						1.60	1.60	1.60	1.60	1.60	1.60	1.6
6	***Total receipts by SRTU (4+5) from State***		***11.87***	***0.02***	***16.42***	***18.43***	***9.56***	***9.51***	***3.13***	***7.53***	***5.79***	***3.13***	***14.21***
7	Interest received by state govt	4.95					0.16	1.04	1.91	1.41	1.53	1.53	1.53
8	Taxes received by state govt (only NPT)	3.94	4.11	4.82	3.33	3.03	2.61	2.13	2.16	1.99	1.65	1.99	2.19
9	***Total Receipts by the state (7+8) from STRU***	***8.89***	***4.11***	***4.82***	***3.33***	***3.03***	***2.77***	***3.17***	***4.07***	***3.40***	***3.18***	***3.52***	***3.72***
10	Burden on SRTUs due to Concessions	1.60	1.70	3.20	3.06	2.98	2.91	2.40	2.29	2.23	2.17	2.29	**1.75**
11	***Effective Receipts by the state (9+10) from STRU***	***10.49***	***5.81***	***8.02***	***6.39***	***6.01***	***5.68***	***5.57***	***6.36***	***5.63***	***5.35***	***5.81***	***5.47***
12	***Net Flow from State to SRTU (6-11)***		***6.06***	***-8.00***	***10.04***	***12.42***	***3.88***	***3.95***	***-3.23***	***1.90***	***0.44***	***-2.68***	***8.74***

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1 Average No. Buses held	932	915		834	836	799	753	748	615	383	297	285
2 Average No. of Buses on Road	733	716		589	493	395	324	306	272	254	251	241
3 Fleet Utilisation (%)	78.60	78.30	76.00	70.60	59.00	49.40	43.00	40.80	44.20	66.30	84.50	90.9
4 Employment	7547	7437		5591	6241	5906	5527	4922	4455	3492	2419	1602
5 Effc. Kms. Operated (Cr.)	7.15	6.75		6.06	4.96	3.92	3.07	2.88	2.83	2.81	2.68	2.66
6 Km/Bus on road/Day	267.24	258.28	274.70	281.88	276.00	272.40	260.10	258.00	285.00	304.00	293.40	302.5
7 Bus Staff Ratio per bus on road	10.21	9.97	10.42	10.11	12.62	14.02	17.06	16.08	16.38	13.53	9.64	6.65
8 Occupancy Ratio (%)			67.00	68.26	70.57	65.00	62.00	66.00	66.99	67.00	68.00	69
9 Fuel Consumption KMPL (HSD)			4.10	4.02	3.95	3.98	4.01	4.04	3.97	4.00	4.12	4.22
10 Average Age of Fleet			5.86	6.12	6.37	6.88	7.90	7.62	7.21	7.02	6.43	5.89

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10											
	Orissa	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**				
1	Increase in State Investment (ΔI)	5.47	5.79	6.13	6.49	6.86	7.26				
2	Subsidies/Reimbursement from the state (S)	1.60	1.60	1.60	1.60	1.60	1.60				
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	7.07	7.39	7.73	8.09	8.46	8.86				
4	Interest received by the State (Int.)	1.68	1.72	1.76	1.80	1.84	1.89				
5	Non Passenger Taxes received by the State (NPT)	1.93	1.92	1.90	1.89	1.87	1.86				
6	Total Receipts by the State from the STRU (R_{state})(4+5)	3.61	3.64	3.66	3.69	3.71	3.74				
7	Burden on the SRTU due to Concessions (B)	1.77	1.69	1.62	1.54	1.48	1.41				
8	Effective Receipts by the State (ER_{state})(6+7)	5.38	5.33	5.28	5.23	5.19	5.15				
9	Net Flow from the State (NF_{state}) (3-8)	1.69	2.06	2.45	2.85	3.27	3.71				

PUNJAB

Pepsu Road Transport Corporation (PRTC)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	***97.36***	***99.61***	***158.76***	***111.18***	***111.18***	***111.18***	***111.18***	***111.18***	***111.18***	***157.47***	***157.47***	***157.47***
a.	Capital contrinution by state	79.57	81.82	134.40	86.82	86.82	86.82	86.82	86.82	86.82	133.11	133.11	133.11
b.	Capital contrinution by centre	17.79	17.79	24.36	24.36	24.36	24.36	24.36	24.36	24.36	24.36	24.36	24.36
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***49.21***	***28.24***	***32.94***	***51.95***	***50.86***	***51.88***	***53.28***	***54.46***	***55.39***	***7.75***	***7.57***	***8.61***
a.	State loans												
b.	Debentures								46.29				
c.	Loans from IDBI	0.35	0.01							46.29			
d.	Loans fron commercial banks	0.09			4.38	4.57	5.59	6.99	8.17		7.25	7.07	8.11
e.	Loans from LIC	0.57	0.17										
f.	Public Deposits												
g.	Others	48.20	28.06	32.94	47.57	46.29	46.29	46.29		9.10	0.50	0.50	0.50
	Total External Capital (I+II)	***146.57***	***127.85***	***191.70***	***163.13***	***162.04***	***163.06***	***164.46***	***165.64***	***166.57***	***165.22***	***165.04***	***166.08***
B.	**INTERNAL CAPITAL**												
I	Reserves	27.12	6.44	6.44	36.46	38.97	6.45	5.71	5.23	4.13	2.49	0.63	0.31
II	Accumulated profit/losses	-185.06	-201.98	-211.87	-205.55	-217.14	-233.40	-267.19	-292.53	-317.71	-348.68	-377.78	-289.24
	Total Internal Capital (I+II)	***-157.94***	***-195.54***	***-205.43***	***-169.09***	***-178.17***	***-226.95***	***-261.48***	***-287.30***	***-313.58***	***-346.19***	***-377.15***	***-288.93***
C.	***CAPITAL INVESTED (CI) (A+B)***	***-11.37***	***-67.69***	***-13.73***	***-5.96***	***-16.13***	***-63.89***	***-97.02***	***-121.66***	***-147.01***	***-180.97***	***-212.11***	***-122.85***
D.	**CAPITAL EMPLOYED**												
I	*Net fixed assets (NFA) of which*	46.05	47.86	21.60	54.56	54.45	20.68	20.54	24.57	27.68	24.47	23.92	25.40
a	Net value of buses	39.29	24.12	21.11	45.74	45.46	20.19	20.05	24.08	27.26	24.05	23.50	24.98
b	Net value of other assets	6.76	23.74	0.49	8.82	8.99	0.49	0.49	0.49	0.42	0.42	0.42	0.42
II	Current Assets	7.86	35.59	41.79	10.17	8.95	11.08	12.18	11.79	11.55	12.40	13.24	13.78
III	Current Liabilities	66.00	80.86	78.98	72.25	81.36	97.27	132.75	159.60	188.19	220.21	250.31	162.68
	Capital Employed (CE)(I+II-III)	***-12.09***	***2.59***	***-15.59***	***-7.52***	***-17.96***	***-65.51***	***-100.03***	***-123.24***	***-148.96***	***-183.34***	***-213.15***	***-123.50***
E.	***Stock Net Worth (NFA-TOL)***	***-3.16***	***19.62***	***-11.34***	***2.61***	***3.59***	***-31.20***	***-32.74***	***-29.89***	***-27.71***	***16.72***	***16.35***	***16.79***
F.	***Total Net Worth (CE-TOL)***	***-61.30***	***-25.65***	***-48.53***	***-59.47***	***-68.82***	***-117.39***	***-153.31***	***-177.70***	***-204.35***	***-191.09***	***-220.72***	***-132.11***
	CHANGES IN STOCKS												
	Change in reserves		-20.68	0.00	30.02	2.51	-32.52	-0.74	-0.48	-1.10	-1.64	-1.86	-0.32
	Change in accumulated profit/losses		-16.92	-9.89	6.32	-11.59	-16.26	-33.79	-25.34	-25.18	-30.97	-29.10	88.54
	Change in capital invested		-56.32	53.96	7.77	-10.17	-47.76	-33.13	-24.64	-25.35	-33.96	-31.14	89.26
	Change in capital employed		14.68	-18.18	8.07	-10.44	-47.55	-34.52	-23.21	-25.72	-34.38	-29.81	89.65
	Change in Net worth		22.78	-30.96	13.95	0.98	-34.79	-1.54	2.85	2.18	44.43	-0.37	0.44

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	42.77	50.50	80.63	89.35	94.14	96.46	102.21	115.70	124.29	120.55	122.36	145.17
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	42.74	50.45	59.01	64.23	66.77	70.87	74.39	85.22	91.47	88.43	94.65	119.48
c.	Non-traffic revenue (NTR)	2.38	2.10	2.41	2.49	3.07	3.48	3.51	4.71	4.94	5.29	5.65	6.47
												9.00	21.83
d.	***Total Revenue (TTR) (a+c)***	***45.15***	***52.60***	***83.04***	***91.84***	***97.21***	***99.94***	***105.72***	***120.41***	***129.23***	***125.84***	***128.01***	***151.64***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***45.12***	***52.55***	***61.42***	***66.72***	***69.84***	***74.35***	***77.90***	***89.93***	***96.41***	***93.72***	***100.30***	***125.95***
f.	Burden due to concession in fare	4.80	4.80			14.81	16.06	20.10	24.13	27.26	21.58	21.91	21.10
B.	**COST**												
a.	***Personnel Cost***	***22.92***	***25.95***	***27.65***	***32.48***	***36.01***	***39.04***	***55.11***	***56.71***	***61.05***	***61.60***	***62.26***	***63.84***
b.	***Material Cost***	***23.86***	***23.71***	***25.61***	***29.10***	***30.79***	***31.74***	***34.43***	***33.90***	***37.22***	***42.16***	***45.76***	***48.23***
	Direct Cost (DC)(a+b)	46.78	49.66	53.26	61.58	66.80	70.78	89.54	90.61	98.27	103.76	108.02	112.07
c.	***Depreciation (I+II) of which***	***4.28***	***4.94***	***4.85***	***5.37***	***5.68***	***5.67***	***5.18***	***5.14***	***3.27***	***3.64***	***3.76***	***3.70***
I.	Depreciation on buses	4.15	4.80	4.70	5.12	5.43	5.39	4.91	4.79	2.93	3.31	3.37	3.29
II.	Depreciation on other assets	0.13	0.14	0.15	0.25	0.25	0.28	0.27	0.35	0.34	0.33	0.39	0.41
d.	***Interest***	***9.33***	***10.07***	***7.82***	***0.48***	***6.76***	***7.16***	***7.31***	***7.39***	***7.36***	***7.31***	***7.09***	***6.93***
I	Interest to State Govt.	7.95	8.87	7.79	0.00	6.09	6.07	6.07	1.33	1.29	6.07	6.07	6.07
II	Interest on Borrowings	0.28	0.09	0.03	0.48	0.67	1.09	1.24	0.00	0.00	1.24	1.02	0.86
	Net Cost (NC) =TC-PT	***63.30***	***69.72***	***71.13***	***69.29***	***81.45***	***90.68***	***110.02***	***117.46***	***124.95***	***125.51***	***131.04***	***134.84***
e.	***Taxes (I+II) of which***	***2.94***	***3.03***	***24.61***	***25.85***	***28.28***	***29.05***	***32.04***	***38.11***	***40.53***	***37.69***	***33.64***	***32.52***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***2.91***	***2.98***	***2.99***	***0.73***	***0.91***	***3.46***	***4.22***	***7.63***	***7.71***	***5.57***	***5.93***	***6.83***
(i)	Motor Vehicle Tax	2.61	2.56	2.45	0.00	0.00	2.48	3.07	3.31	3.16	2.91	3.14	2.97
(ii)	Special Road Tax/Other taxes on buses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Misc. & other Taxes	0.30	0.42	0.54	0.73	0.91	0.98	1.15	4.32	4.55	2.66	2.79	3.86
II.	***Passenger Tax (PT)****	**0.03**	**0.05**	**21.62**	**25.12**	**27.37**	**25.59**	**27.82**	**30.48**	**32.82**	**32.12**	**27.71**	**25.69**
f.	***Misc. and other costs***	**0.00**	**2.07**	**2.21**	**1.13**	**1.30**	**3.61**	**3.77**	**6.69**	**8.34**	**5.23**	**6.24**	**5.31**
	Total Cost (TC) (a+b+c+d+e+f)	**63.33**	**69.77**	**92.75**	**94.41**	**108.82**	**116.27**	**137.84**	**147.94**	**157.77**	**157.63**	**158.75**	**160.53**
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	-4.04	0.79	5.75	2.65	-0.03	0.09	-15.15	-5.39	-6.80	-15.33	-13.37	7.41
b	Gross Margin (GM) = (TTR* - DC)	-1.66	2.89	8.16	5.14	3.04	3.57	-11.64	-0.68	-1.86	-10.04	-7.72	13.88
c	Net Margin (NM) = TTR -TC =TTR*-NC	-18.18	-17.17	-9.71	-2.57	-11.61	-16.33	-32.12	-27.53	-28.54	-31.79	-30.74	-8.89
d	Profit after interest =Profit before tax (NM+NPT)	-15.27	-14.19	-6.72	-1.84	-10.70	-12.87	-27.90	-19.90	-20.83	-26.22	-24.81	-2.06
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	109.45	98.43	90.26	95.87	100.04	99.87	120.37	106.32	107.43	117.34	114.13	93.80
b	Cost Recovery Ratio = (TR*/NC)	67.52	72.36	82.96	92.70	81.98	78.15	67.61	72.55	73.21	70.46	72.23	88.61
c	Return on capital invested ((NM+Int)/CI)												
d	Return on capital employed ((NM+Int)/CE)		-274.13										
* Passenger tax includes Special Road Tax													

Table 2: Fiscal Aspects in relation to the State Govt.												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.	79.57	81.82	134.40	86.82	86.82	86.82	86.82	86.82	86.82	133.11	133.11	133.11
2	State Debt Outstanding	24.74	26.64	28.54	47.57	46.29	46.29	46.29	46.29	46.29	46.29	46.29	46.29
3	***State Investment in SRTUs (1+2)***	**104.31**	**108.46**	**162.94**	**134.39**	**133.11**	**133.11**	**133.11**	**133.11**	**133.11**	**179.40**	**179.40**	**179.40**
	FLOWS												
4	Increase in State Investment		4.15	54.48	-28.55	-1.28	0.00	0.00	0.00	0.00	46.29	0.00	0.00
5	Grants/Subsidies received from Govt.						1.37	5.32	5.53	5.87	8.08	9.00	21.83
6	***Total receipts by SRTU (4+5) from State***		**4.15**	**54.48**	**-28.55**	**-1.28**	**1.37**	**5.32**	**5.53**	**5.87**	**54.37**	**9.00**	**21.83**
7	Interest received by state govt	7.95	8.87	7.79	0.00	6.09	6.07	6.07	1.33	1.29	6.07	6.07	6.07
8	Taxes received by state govt (only NPT)	2.94	3.03	3.03	3.33	3.53	3.61	4.22	7.63	7.71	5.57	5.93	6.83
9	***Total Receipts by the state (7+8) from STRU***	**10.89**	**11.90**	**10.82**	**3.33**	**9.62**	**9.68**	**10.29**	**8.96**	**9.00**	**11.64**	**12.00**	**12.90**
10	Burden on SRTUs due to Concessions	4.80	4.80	7.30	9.81	14.81	16.06	20.10	24.13	27.26	21.58	21.91	21.10
11	***Effective Receipts by the state (9+10) from STRU***	**15.69**	**16.70**	**18.12**	**13.14**	**24.43**	**25.74**	**30.39**	**33.09**	**36.26**	**33.22**	**33.91**	**34.00**
12	***Net Flow from State to SRTU (6-11)***		**-12.55**	**36.36**	**-41.69**	**-25.71**	**-24.37**	**-25.07**	**-27.56**	**-30.39**	**21.15**	**-24.91**	**-12.17**
13	Passenger Tax (PT)*	0.03	0.05	21.62	25.12	27.37	25.59	27.82	30.48	32.82	32.12	27.71	25.69

* Passenger tax includes Special Road Tax

Table 3: Physical Parameters		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Average No. Buses held	1051	1065	1047	1064	1057	1037	1057	1065	1038	1016	992	1088
2	Average No. of Buses on Road	957	979	966	988	974	948	982	999	994	974	942	1039
3	Fleet Utilisation (%)	91.10	91.90	92.30	92.90	92.10	91.40	92.90	93.80	95.80	96.00	95.60	95.50
4	Employment	5764	5721	5717	5851	5730	5571	5437	5287	5171	4941	4964	4664
5	Effc. Kms. Operated (Cr.)	9.65	9.99	9.46	10.09	10.04	9.74	9.62	9.89	9.87	9.04	9.38	11.12
6	Km/Bus on road/Day		279.60	268.40		282.40	281.70	268.50	271.30	271.50	269.30	286.10	293.20
7	Bus Staff Ratio per bus on road	5.39	5.40	5.55	5.92	5.61	5.80	5.44	5.16	5.09	4.97	5.17	4.40
8	Occupancy Ratio (%)		76.00	76.00	75.05	71.00	74.00	83.58	68.00	65.27	66.00	64.36	71.03
9	Fuel Consumption KMPL (HSD)		4.13	4.14	4.20	4.26	4.25	4.25	4.30	4.35	4.40	4.41	4.39
10	Average Age of Fleet		4.87	5.41	5.54	5.67	5.60	5.54	6.50	6.41	6.38	6.94	7.10

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10							
	Punjab (PRTC)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2	Subsidies/Reimbursement from the state (S)	21.51	24.23	26.95	29.67	32.38	35.10
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	21.51	24.23	26.95	29.67	32.38	35.10
4	Interest received by the State (Int.)	6.93	7.47	8.01	8.55	9.10	9.64
5	Non Passenger Taxes received by the State (NPT)	7.06	7.23	7.39	7.56	7.73	7.89
6	Total Receipts by the State from the STRU (R_{state})(4+5)	13.99	14.70	15.41	16.11	16.82	17.53
7	Burden on the SRTU due to Concessions (B)	21.74	21.53	21.32	21.11	20.90	20.69
8	Effective Receipts by the State (ER_{state})(6+7)	35.73	36.23	36.73	37.23	37.73	38.23
9	Net Flow from the State (NF_{state}) (3-8)	-14.22	-12.00	-9.78	-7.56	-5.34	-3.12

PUNJAB

State Transport Punjab (STPJB)

Table 1: Financial Position of SRTU

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	**40.70**	**41.28**	**42.58**	**42.59**	**42.66**	**42.66**					**58.69**	
a.	Capital contrinution by state	40.70	41.28	42.58	42.59	42.66	42.66					58.69	
b.	Capital contrinution by centre												
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***												
a.	State loans												
b.	Debentures												
c.	Loans from IDBI												
d.	Loans fron commercial banks												
e.	Loans from LIC												
f.	Public Deposits												
g.	Others												
	Total External Capital (I+II)	**40.70**	**41.28**	**42.58**	**42.59**	**42.66**	**42.66**					**58.69**	
B.	**INTERNAL CAPITAL**												
I	Reserves												
II	Accumulated profit/losses												
	Total Internal Capital (I+II)												
C.	**CAPITAL INVESTED (CI) (A+B)**	**40.70**	**41.28**	**42.58**	**42.59**	**42.66**	**42.66**					58.69	
D.	**CAPITAL EMPLOYED**												
I	*Net fixed assets (NFA) of which*	40.70	41.28	42.58	42.59	42.60	42.66					41.03	41.34
a	Net value of buses	23.12	23.11	23.12	23.11	23.11	23.11					22.99	
b	Net value of other assets	17.58	18.17	19.46	19.48	19.49	19.55					18.04	
II	Current Assets												17.66
III	Current Liabilities												
	Capital Employed (CE)(I+II-III)	**40.70**	**41.28**	**42.58**	**42.59**	**42.60**	**42.66**					**41.03**	**59.00**
E.	***Stock Net Worth (NFA-TOL)***	40.70	41.28	42.58	42.59	42.60	42.66						
F.	***Total Net Worth (CE-TOL)***	40.70	41.28	42.58	42.59	42.60	42.66						
	CHANGES IN STOCKS												
	Change in reserves												
	Change in accumulated profit/losses												
	Change in capital invested		0.58	1.30	0.01	0.07	0.00						
	Change in capital employed		0.58	1.30	0.01	0.01	0.06						
	Change in Net worth		0.58	1.30	0.01	0.01	0.06						

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	85.28	97.02	152.89	172.42	171.64	169.34	188.59	216.24	225.80	216.75	212.76	196.87
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	84.05	95.73	122.40	134.81	129.91	128.38	132.66	133.91	143.90	157.36	149.87	
c.	Non-traffic revenue (NTR)	2.84	3.81	4.06	4.03	5.50	5.66	6.71	7.31	7.05	7.90	15.11	9.21
d.	***Total Revenue (TTR) (a+c)***	**88.12**	**100.83**	**156.95**	**176.45**	**177.14**	**175.00**	**195.30**	**223.55**	**232.85**	**224.65**	**227.87**	**206.08**
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	**86.89**	**99.54**	**126.46**	**138.84**	**135.41**	**134.04**	**139.37**	**141.22**	**150.95**	**165.26**	**164.98**	**9.21**
f.	Burden due to concession in fare			16.67		30.94	30.15					39.54	
B.	**COST**												
a.	***Personnel Cost***	**44.92**	**48.51**	**53.07**	**58.23**	**67.62**	**79.81**	**96.82**	**116.25**	**124.63**	**124.77**	**126.93**	**129.61**
b.	***Material Cost***	**47.29**	**51.92**	**58.54**	**63.54**	**63.30**	**66.09**	**70.11**	**69.32**	**79.84**	**85.70**	**70.62**	**73.62**
	Direct Cost (DC)(a+b)	92.21	100.43	111.61	121.77	130.92	145.90	166.93	185.57	204.47	210.47	197.55	203.23
c.	***Depreciation (I+II) of which***	**7.88**	**8.81**	**10.03**	**9.97**	**10.28**	**9.66**	**9.07**	**7.04**	**10.55**	**4.15**	**6.84**	**7.66**
I.	Depreciation on buses	7.88	8.81		9.97	10.28	9.66				4.15	6.84	7.66
II.	Depreciation on other assets	0.00	0.00		0.00	0.00	0.00				0.00	0.00	0.00
d.	***Interest***	**3.00**	**3.11**	**3.14**	**3.19**	**3.20**	**3.19**	**3.31**	**3.29**	**3.33**	**3.32**	**3.32**	**3.32**
I	Interest to State Govt.	3.00	3.11	3.14	3.19	3.20	3.19						
II	Interest on Borrowings	0.00	0.00	0.00	0.00	0.00	0.00						
	Net Cost (NC) =TC-PT	***111.95***	***122.17***	***136.41***	***148.26***	***158.95***	***173.33***	***192.69***	***211.03***	***228.67***	***261.80***	***232.38***	***241.81***
e.	***Taxes (I+II) of which***	**6.73**	**6.81**	**37.66**	**45.39**	**49.90**	**48.58**	**61.73**	**89.33**	**88.43**	**84.84**	**68.68**	**70.73**
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	**5.50**	**5.52**	7.17	7.78	**8.17**	**7.62**	**5.80**	**7.00**	**6.53**	**25.45**	**5.79**	**6.07**
(i)	Motor Vehicle Tax	5.50	5.52	5.47	5.64	5.67	5.16	5.80	7.00	6.53	6.17	5.79	6.07
(ii)	Special Road Tax/Other taxes on buses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Misc. & other Taxes	0.00	0.00	1.70	2.14	2.50	2.46	0.00	0.00	0.00	19.28	0.00	0.00
II.	***Passenger Tax (PT)****	**1.23**	**1.29**	**30.49**	**37.61**	**41.73**	**40.96**	**55.93**	**82.33**	**81.90**	**59.39**	**62.89**	**64.66**
f.	***Misc. and other costs***	**3.36**	**4.30**	**4.46**	**5.55**	**6.38**	**6.96**	**7.58**	**8.13**	**3.79**	**18.41**	**18.88**	**21.53**
	Total Cost (TC) (a+b+c+d+e+f)	**113.18**	**123.46**	**166.90**	**185.87**	**200.68**	**214.29**	**248.62**	**293.36**	**310.57**	**321.19**	**295.27**	**306.47**
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	-8.16	-4.70	10.79	13.04	-1.01	-17.52	-34.27	-51.66	-60.57	-53.11	-47.68	-203.23
b	Gross Margin (GM) = (TTR* - DC)	-5.32	-0.89	14.85	17.07	4.49	-11.86	-27.56	-44.35	-53.52	-45.21	-32.57	-194.02
c	Net Margin (NM) = TTR -TC =TTR*-NC	-25.06	-22.63	-9.95	-9.42	-23.54	-39.29	-53.32	-69.81	-77.72	-96.54	-67.40	-100.39
d	Profit after interest =Profit before tax (NM+NPT)	-19.56	-17.11	-2.78	-1.64	-15.37	-31.67	-47.52	-62.81	-71.19	-71.09	-61.61	-94.32
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	109.71	103.51	73.00	70.62	76.28	86.16	88.51	85.82	90.55	97.10	92.85	103.23
b	Cost Recovery Ratio = (TR*/NC)	75.08	81.67	94.04	94.93	88.27	81.67	78.55	76.20	74.98	69.94	77.17	67.24
c	Return on capital invested ((NM+Int)/CI)	-54.20	-47.29	-15.99	-14.63	-47.68	-84.62					-109.18	
d	Return on capital employed ((NM+Int)/CE)	-54.20	-47.29	-15.99	-14.63	-47.75	-84.62					-156.18	-164.53
* Passenger tax includes Special Road Tax													

Table 2: Fiscal Aspects in relation to the State Govt.

	STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1	Capital Contribution from the State Govt.	40.70	41.28	42.58	42.59	42.66	42.66					58.69	
2	State Debt Outstanding												
3	***State Investment in SRTUs (1+2)***	**40.70**	**41.28**	**42.58**	**42.59**	**42.66**	**42.66**	**0.00**	**0.00**	**0.00**	**0.00**	**58.69**	
	FLOWS												
4	Increase in State Investment		0.58	1.30	0.01	0.07	0.00	-42.66	0.00	0.00	0.00	58.69	
5	Grants/Subsidies received from Govt.											13.74	
6	***Total receipts by SRTU (4+5) from State***		**0.58**	**1.30**	**0.01**	**0.07**	**0.00**	**-42.66**	**0.00**	**0.00**	**0.00**	**72.43**	
7	Interest received by state govt	3.00	3.11	3.14	3.19	3.20	3.19						
8	Taxes received by state govt (only NPT)	6.73	6.81	37.66	45.39	49.90	48.58	54.05	80.33	88.43	84.84	76.24	
9	***Total Receipts by the state (7+8) from STRU***	**9.73**	**9.92**	**40.80**	**48.58**	**53.10**	**51.77**	**54.05**	**80.33**	**88.43**	**84.84**	**76.24**	
10	Burden on SRTUs due to Concessions			16.67	23.56	30.94	30.15	32.13	36.15	37.26	38.40	39.54	
11	***Effective Receipts by the state (9+10) from STRU***	**9.73**	**9.92**	**57.47**	**72.14**	**84.04**	**81.92**	**86.18**	**116.48**	**125.69**	**123.24**	**115.78**	
12	***Net Flow from State to SRTU (6-11)***		**-9.34**	**-56.17**	**-72.13**	**-83.97**	**-81.92**	**-128.84**	**-116.48**	**-125.69**	**-123.24**	**-43.35**	
13	Passenger Tax (PT)*	1.23	1.29	30.49	37.61	41.73	40.96	55.93	82.33	81.90	59.39	50.86	

* Passenger tax includes Special Road Tax

Table 3: Physical Parameters

		1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1	Average No. Buses held	2374	2370	2368	2369	2369	2369	2369	2369	2369	2369	2066	1857
2	Average No. of Buses on Road	2239	2226	2251	2246	2163	2137	2126	2265	1892	1986	1571	1593
3	Fleet Utilisation (%)	94.30	93.90	95.10	94.80	91.30	90.20	89.70	95.60	79.90	83.30	76.00	85.80
4	Employment	12549	12561	12551	12438	12229	12096	12096	12133	11847	11736	11304	10974.0
5	Effc. Kms. Operated (Cr.)	20.07	20.03	21.08	21.63	20.61	18.08	19.09	20.08	19.54	18.94	18.68	16.57
6	Km/Bus on road/Day	245.58	231.60	256.60	263.85	264.10	241.10	246.00	242.90	225.40	267.40	325.90	284.90
7	Bus Staff Ratio per bus on road	5.60	5.56	5.53	5.54	5.79	6.09	5.69	5.36	6.26	5.91	7.20	5.85
8	Occupancy Ratio (%)	72.61	73.10	68.30	69.80	71.80	67.97	71.50	54.23	56.70	50.80	54.62	54.01
9	Fuel Consumption KMPL (HSD)	3.98	3.98	4.03	4.07	4.10	4.12	4.16	4.23	4.25	4.25	4.28	
10	Average Age of Fleet		5.50	5.10	5.80	6.60	6.60						

					RAJASTHAN							
					Rajasthan State Road Transport Corporation (RSRTC)							
Table 1: Financial Position of SRTU												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A.	**EXTERNAL CAPITAL**												
I.	*Total Capital Contribution (TCC) (a+b)*	*77.81*	*79.81*	*107.96*	*107.96*	*107.96*	*107.96*	*107.96*	*107.96*	*107.96*	*107.96*	*107.96*	*107.96*
a	*Equity (1+2)*	*77.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*	*79.81*
1	State Govt.	55.03	55.03	55.03	55.03	55.03	55.03	55.03	55.03	55.03	55.03	55.03	55.03
2	Central Govt.	22.78	24.78	24.78	24.78	24.78	24.78	24.78	24.78	24.78	24.78	24.78	24.78
b	*Capital Loan (1+2)*			*28.15*	*28.15*	*28.15*	*28.15*	*28.15*	*28.15*	*28.15*	*28.15*	*28.15*	*28.15*
1	State Govt.			26.10	26.10	26.10	26.10	26.10	26.10	26.10	26.10	26.10	26.10
2	Central Govt.			2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05
II.	*Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)*	*72.65*	*79.53*	*75.83*	*59.77*	*41.44*	*23.84*	*117.40*	*220.23*	*219.41*	*190.36*	*144.96*	*112.33*
a.	State Govt.corpus fund					1.16	3.73	4.63	5.83	6.42	7.14	8.17	8.58
b.	Debentures	0.55	0.55	0.55	0.55	0.55	0.28		75.00	112.30	84.22	28.07	
c.	Loans from IDBI	69.85	75.30	65.86	42.32	22.39	8.72	1.98					
d.	Loans fron commercial banks		1.00	6.05	13.03	13.63	6.96	106.41	134.98	96.14	94.31	81.53	90.63
e.	Loans from Dy. G.M.(Pension) RSRTC											22.50	7.5
f.	PCRA/public deposits	2.25	2.68	3.37	3.87	3.71	4.15	4.6	4.38	4.42	4.55	4.69	5.62
	Total External Capital (I+II)	*150.46*	*159.34*	*183.79*	*167.73*	*149.40*	*131.80*	*225.36*	*328.19*	*327.37*	*298.32*	*252.92*	*220.29*
B.	**INTERNAL CAPITAL**												
I	Reserves	63.82	73.35	84.99	93.99	117.26	145.44	175.00	200.45	195.96	213.08	225.48	225.15
II	Accumulated profit/losses	-35.33	-22.85	-6.78	17.61	25.89	29.87	5.38	-38.62	-112.42	-196.40	-260.94	-303.23
	Total Internal Capital (I+II)	*28.49*	*50.50*	*78.21*	*111.60*	*143.15*	*175.31*	*180.38*	*161.83*	*83.54*	*16.68*	*-35.46*	*-78.08*
C.	*CAPITAL INVESTED (CI) (A+B)*	*178.95*	*209.84*	*262.00*	*279.33*	*292.55*	*307.11*	*405.74*	*490.02*	*410.91*	*315.00*	*217.46*	*142.21*
D.	**CAPITAL EMPLOYED (CE)**												
I	*Net fixed assets (NFA) of which*	143.34	183.63	226.78	259.81	280.71	308.13	347.08	368.03	341.19	369.77	397.72	409.27
a	Net value of buses	130.58	169.16	210.35	240.84	258.64	282.56	318.86	338.31	310.30	333.25	359.90	370.84
b	Net value of other assets	12.76	14.47	16.43	18.97	22.07	25.57	28.22	29.72	30.89	36.52	37.82	38.43
II	Current Assets	61.36	59.11	63.26	56.71	47.34	47.65	62.16	64.85	72.48	40.91	67.53	62.3
III	Current Liabilities	30.86	35.17	41.05	43.81	49.07	60.19	68.33	184.59	143.61	193.07	283.40	342.84
	Capital Employed (CE)(I+II-III)	*173.84*	*207.57*	*248.99*	*272.71*	*278.98*	*295.59*	*340.91*	*248.29*	*270.06*	*217.61*	*181.85*	*128.73*
E.	*Stock Net Worth (NFA-TOL)*	*70.69*	*104.10*	*150.95*	*200.04*	*239.27*	*284.29*	*229.68*	*147.80*	*121.78*	*179.41*	*252.76*	*296.94*
F.	*Total Net Worth (CE-TOL)*	*101.19*	*128.04*	*173.16*	*212.94*	*237.54*	*271.75*	*223.51*	*28.06*	*50.65*	*27.25*	*36.89*	*16.40*
	CHANGES IN STOCKS												
	Change in reserves		9.53	11.64	9.00	23.27	28.18	29.56	25.45	-4.49	17.12	12.40	-0.33
	Change in accumulated profit/losses		12.48	16.07	24.39	8.28	3.98	-24.49	-44.00	-73.80	-83.98	-64.54	-42.29
	Change in capital invested		30.89	52.16	17.33	13.22	14.56	98.63	84.28	-79.11	-95.91	-97.54	-75.25
	Change in capital employed		33.73	41.42	23.72	6.27	16.61	45.32	-92.62	21.77	-52.45	-35.76	-53.12
	Change in Net worth		33.41	46.85	49.09	39.23	45.02	-54.61	-81.88	-26.02	57.63	73.35	44.18

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	214.62	264.30	327.30	378.70	409.37	433.45	484.72	500.10	496.67	565.52	597.68	653.41
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	180.41	224.01	281.20	322.45	346.27	370.68	412.87	425.92	426.78	488.72	524.04	578.93
c.	Non-traffic revenue (NTR)	5.23	5.78	8.57	8.27	9.48	8.15	12.60	29.31	33.94	22.54	26.29	22.52
d.	***Total Revenue (TTR) (a+c)***	***219.85***	***270.08***	***335.87***	***386.97***	***418.85***	***441.60***	***497.32***	***529.41***	***530.61***	***588.06***	***623.97***	***675.93***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***185.64***	***229.79***	***289.77***	***330.72***	***355.75***	***378.83***	***425.47***	***455.23***	***460.72***	***511.26***	***550.33***	***601.45***
f.	Burden due to concession in fare	7.20	7.80	9.00		10.00	15.00	15.00	25.41	26.69	31.73	35.66	39.23
B.	**COST**												
a.	***Personnel Cost***	***70.66***	***83.42***	***100.89***	***114.95***	***133.07***	***147.32***	***155.57***	***214.68***	***239.77***	***251.90***	***254.02***	***266.76***
b.	***Material Cost***	***64.50***	***85.52***	***97.63***	***113.71***	***128.35***	***144.95***	***175.21***	***168.94***	***189.80***	***226.17***	***239.85***	***249.9***
	Direct Cost (DC)(a+b)	135.16	168.94	198.52	228.66	261.42	292.27	330.78	383.62	429.57	478.07	493.87	516.66
c.	***Depreciation (I+II) of which***	***11.75***	***16.62***	***20.88***	***25.86***	***30.97***	***33.17***	***38.73***	***41.17***	***33.48***	***34.26***	***34.13***	***35.05***
I.	Depreciation on buses	11.75	15.91	20.05	24.85	29.68	31.56	37.01	39.34	31.78	32.62	32.62	33.41
II.	Depreciation on other assets	0.00	0.71	0.83	1.01	1.29	1.61	1.72	1.83	1.70	1.64	1.51	1.64
d.	***Interest***	***9.20***	***13.32***	***15.36***	***12.95***	***11.55***	***8.95***	***8.68***	***25.41***	***31.40***	***26.09***	***27.64***	***19.58***
I	Interest to State Govt.	3.25	3.82	4.63	3.34	3.49	3.28	1.63	1.63	1.63	1.63	1.63	1.63
II	Interest on Borrowings	4.57	8.08	9.13	8.74	7.19	4.80	6.92	23.66	29.64	24.33	25.88	17.82
	Net Cost (NC) =TC-PT	***176.87***	***231.16***	***275.10***	***307.32***	***346.94***	***371.57***	***420.11***	***492.77***	***532.60***	***595.36***	***613.43***	***642.21***
e.	***Taxes (I+II) of which***	***40.73***	***49.02***	***57.56***	***59.34***	***66.35***	***66.72***	***77.06***	***79.69***	***75.43***	***83.79***	***81.76***	***84.52***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***6.52***	***8.73***	***11.46***	***3.09***	***3.25***	***3.95***	***5.21***	***5.51***	***5.54***	***6.99***	***8.12***	***10.04***
(i)	Motor Vehicle Tax	1.73	1.94	1.74	1.90	2.13	2.24	3.31	3.18	3.01	3.40	4.41	4.59
(ii)	Special Road Tax/Other taxes on buses			0.83	0.40	0.50	0.41	1.00	1.78	2.01	2.68	3.00	5.12
(iii)	Misc. & other Taxes	4.79	6.79	8.89	0.79	0.62	1.30	0.90	0.55	0.52	0.91	0.71	0.33
II.	***Passenger Tax (PT)***	***34.21***	***40.29***	***46.10***	***56.25***	***63.10***	***62.77***	***71.85***	***74.18***	***69.89***	***76.80***	***73.64***	***74.48***
f.	***Misc. and other costs***	***14.24***	***23.55***	***28.88***	***36.76***	***39.75***	***33.23***	***36.71***	***37.06***	***32.61***	***49.95***	***49.67***	***60.88***
	Total Cost (TC) (a+b+c+d+e+f)	***211.08***	***271.45***	***321.20***	***363.57***	***410.04***	***434.34***	***491.96***	***566.95***	***602.49***	***672.16***	***687.07***	***716.69***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	45.25	55.07	82.68	93.79	84.85	78.41	82.09	42.30	-2.79	10.65	30.17	62.27
b	Gross Margin (GM) = (TTR* - DC)	50.48	60.85	91.25	102.06	94.33	86.56	94.69	71.61	31.15	33.19	56.46	84.79
c	Net Margin (NM) = TTR -TC =TTR*-NC	8.77	-1.37	14.67	23.40	8.81	7.26	5.36	-37.54	-71.88	-84.10	-63.10	-40.76
d	Profit after interest =Profit before tax (NM+NPT)	15.29	7.36	26.13	26.49	12.06	11.21	10.57	-32.03	-66.34	-77.11	-54.98	-30.72
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	62.98	63.92	60.65	60.38	63.86	67.43	68.24	76.71	86.49	84.54	82.63	79.07
b	Cost Recovery Ratio = (TR*/NC)	85.47	82.52	87.55	88.69	84.45	85.34	83.92	75.12	70.84	72.71	76.27	80.78
c	Return on capital invested ((NM+Int)/CI)	10.04	5.69	11.46	13.01	6.96	5.28	3.46	-2.48	-9.85	-18.42	-16.31	-14.89
d	Return on capital employed ((NM+Int)/CE)	10.34	5.76	12.06	13.33	7.30	5.48	4.12	-4.89	-14.99	-26.66	-19.50	-16.45

Table 2: Fiscal Aspects in relation to the State Govt.													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.	55.03	55.03	81.13	81.13	81.13	81.13	81.13	81.13	81.13	81.13	81.13	81.13
2	State Debt Outstanding												
3	***State Investment in SRTUs (1+2)***	*55.03*	*55.03*	*81.13*	*81.13*	*81.13*	*81.13*	*81.13*	*81.13*	*81.13*	*81.13*	*81.13*	*81.13*
	FLOWS												
4	Increase in State Investment		0.00	26.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Grants/Subsidies received from Govt.												
6	***Total receipts by SRTU (4+5) from State***		*0.00*	*26.10*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
7	Interest received by state govt	3.25	3.82	4.63	3.34	3.49	3.28	1.63	1.63	1.63	1.63	1.63	1.63
8	Taxes received by state govt (only NPT)	6.52	1.94	11.46	3.09	3.25	3.95	4.21	5.51	5.54	6.99	8.12	10.04
9	***Total Receipts by the state (7+8) from STRU***	*9.77*	*5.76*	*16.09*	*6.43*	*6.74*	*7.23*	*5.84*	*7.14*	*7.17*	*8.62*	*9.75*	*11.67*
10	Burden on SRTUs due to Concessions	7.20	7.80	9.00	9.00	10.00	15.00	15.00	25.41	26.69	31.73	35.66	**39.23**
11	***Effective Receipts by the state (9+10) from STRU***	*16.97*	*13.56*	*25.09*	*15.43*	*16.74*	*22.23*	*20.84*	*32.55*	*33.86*	*40.35*	*45.41*	*50.90*
12	***Net Flow from State to SRTU (6-11)***		*-13.56*	*1.01*	*-15.43*	*-16.74*	*-22.23*	*-20.84*	*-32.55*	*-33.86*	*-40.35*	*-45.41*	*-50.90*
13	Passenger Tax (PT)	34.21	40.29	46.10	56.25	63.10	62.77	71.85	74.18	69.89	76.80	73.64	74.48
Table 3: Physical Parameters		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Average No. Buses held	3382	3703	4115	4470	4828	4819	5002	5018	4702	4754	4644	4698
2	Average No. of Buses on Road	3002	3366	3685	4026	4368	4351	4470	4481	4258	4401	4328	4399
3	Fleet Utilisation (%)	88.8	90.6	89.6	90.1	90.5	90.3	89.4	89.3	90.6	92.6	93.2	93.6
4	Employment	24638	25341	25892	25702	25904	25723	25720	25707	25540	25030	24419	23709
5	Effc. Kms. Operated (Cr.)	31.4	36.5	41.7	46.0	49.5	48.0	51.1	51.0	50.0	52.4	53.0	54.84
6	Km/Bus on road/Day	286.50	296.80	309.60	312.90	310.70	302.30	312.90	311.90	320.90	326.30	335.20	341.6
7	Bus Staff Ratio per bus on road	7.83	7.35	7.22	7.19	6.35	6.25	5.75	6.03	6.00	6.07	5.94	5.75
8	Occupancy Ratio (%)	74.80	78.60	72.04	72.10	71.90	74.00	65.20	63.10	65.07	62.40	62.10	63.8
9	Fuel Consumption KMPL (HSD)	4.78	4.79	4.8	4.75	4.8	4.77	4.78	4.8	4.8	4.8	4.9	4.94
10	Average Age of Fleet	4.45	4.45	3.46	3.28	3.71	4.08	4.01	4.07	4.73	4.97	4.92	5.07
Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10													
		2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**						
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00						
2	Subsidies/Reimbursement from the state (S)												
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	0.00	0.00	0.00	0.00	0.00	0.00						
4	Interest received by the State (Int.)	1.63	1.63	1.63	1.63	1.63	1.63						
5	Non Passenger Taxes received by the State (NPT)	11.68	12.77	13.87	14.97	16.07	17.17						
6	Total Receipts by the State from the STRU (R_{state})(4+5)	13.31	14.40	15.50	16.60	17.70	18.80						
7	Burden on the SRTU due to Concessions (B)	49.13	53.62	58.10	62.58	67.07	71.55						
8	Effective Receipts by the State (ER_{state})(6+7)	62.44	68.02	73.60	79.18	84.77	90.35						
9	Net Flow from the State (NF_{state}) (3-8)	-62.44	-68.02	-73.60	-79.18	-84.77	-90.35						

SIKKIM

Sikkim Nationalised Transport (SKNT)

Table 1: Financial Position of SRTU

STOCKS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A. EXTERNAL CAPITAL											
I. Total Capital Contribution (TCC) (a+b)	***22.86***	***19.79***									
a. Capital contrinution by state	22.86	19.79									
b. Capital contrinution by centre											
II. Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)											
a. State loans											
b. Debentures											
c. Loans from IDBI											
d. Loans fron commercial banks											
e. Loans from LIC											
f. Public Deposits											
g. Others											
Total External Capital (I+II)											
B. INTERNAL CAPITAL											
I Reserves	3.21	5.86									
II Accumulated profit/losses											
Total Internal Capital (I+II)											
C. CAPITAL INVESTED (CI) (A+B)											
D. CAPITAL EMPLOYED (CE)											
I *Net fixed assets (NFA) of which*	14.63	6.61									
a Net value of buses											
b Net value of other assets											
II Current Assets	8.98	10.69									
III Current Liabilities											
Capital Employed (CE)(I+II-III)											
E. Stock Net Worth (NFA-TOL)											
F. Total Net Worth (CE-TOL)											
CHANGES IN STOCKS											
Change in reserves		2.65									
Change in accumulated profit/losses											
Change in capital invested											

FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A. REVENUE											
a. Traffic revenue (TR)	5.42	5.15	7.98	7.98	4.90	8.20	8.50	5.44	6.73	7.04	10.31
b. Traffic Revenue adjusted for PT (TR*)=TR-PT	5.42	5.15	7.98	7.98	4.90	8.20	8.50	5.44	6.73	7.04	10.31
c. Non-traffic revenue (NTR)	0.19	0.19	2.45	2.45	3.45	2.75	3.05	1.55	4.39	4.87	5.10
d. Total Revenue (TTR) (a+c)	***5.61***	***5.34***	***10.43***	***10.43***	***8.35***	***10.95***	***11.55***	***6.99***	***11.12***	***11.91***	***15.41***
e. Total Revenue adjusted for PT (TTR*) (b+c)	***5.61***	***5.34***	***10.43***	***10.43***	***8.35***	***10.95***	***11.55***	***6.99***	***11.12***	***11.91***	***15.41***
f. Burden due to concession in fare	0.13	0.14							0.02	0.02	0.02
B. COST											
a. Personnel Cost	***2.30***	***2.33***	***3.02***	***3.02***	***3.77***	***3.75***	***3.98***	***7.97***	***7.86***	***8.14***	***8.77***
b. Material Cost	***2.94***	***2.75***	***8.95***	***8.95***	***6.88***	***6.15***	***7.59***	***7.84***	***9.86***	***8.56***	***4.58***
Direct Cost (DC)(a+b)	5.24	5.08	11.97	11.97	10.65	9.90	11.57	15.81	17.72	16.70	13.35
c. Depreciation (I+II) of which	***1.08***	***1.80***	***1.13***	***1.13***	***1.85***	***1.85***	***1.14***				***5.16***
I. Depreciation on buses	1.08			1.13	1.85						
d. Interest	***0.10***	***0.10***	***0.20***	***0.20***							
I Interest to State Govt.	0.10		0.10	0.10							
II Interest on Borrowings		0.10	0.10	0.10							
Net Cost (NC) =TC-PT	***6.56***	***7.12***	***13.71***	***16.29***	***15.34***	***14.97***	***15.60***	***16.77***	***19.38***	***18.39***	***21.74***
e. Taxes (I+II) of which	***0.10***	***0.10***	***0.41***	***0.41***	***0.16***	***0.11***	***0.19***	***0.17***			
I. Non-Passenger Taxes (NPT) (i+ii+iii)	***0.10***	***0.10***	***0.41***	***0.41***	***0.16***	***0.11***	***0.19***	***0.17***			
(i) Motor Vehicle Tax	0.10	0.10	0.16	0.16	0.16	0.11	0.19	0.17			
(ii) Special Road Tax/Other taxes on buses											
(iii) Misc. & other Taxes			0.25	0.25							
II. Passenger Tax (PT)											
f. Misc. and other costs	***0.04***	***0.04***		***2.58***	***2.68***	***3.11***	***2.70***	***0.79***	***1.66***	***1.69***	***3.23***
Total Cost (TC) (a+b+c+d+e+f)	***6.56***	***7.12***	***13.71***	***16.29***	***15.34***	***14.97***	***15.60***	***16.77***	***19.38***	***18.39***	***21.74***
C. MARGINS											
a Operating Surplus (TR* - DC)	0.18	0.07	-3.99	-3.99	-5.75	-1.70	-3.07	-10.37	-10.99	-9.66	-3.04
b Gross Margin (GM) = (TTR* - DC)	0.37	0.26	-1.54	-1.54	-2.30	1.05	-0.02	-8.82	-6.60	-4.79	2.06
c Net Margin (NM) = TTR -TC =TTR*-NC	-0.95	-1.78	-3.28	-5.86	-6.99	-4.02	-4.05	-9.78	-8.26	-6.48	-6.33
d Profit after interest =Profit before tax (NM+NPT)	-0.85	-1.68	-2.87	-5.45	-6.83	-3.91	-3.86	-9.61	-8.26	-6.48	-6.33
D. RATIOS											
a Operating Ratio = (DC/TR*)	96.68	98.64	150.00	150.00	217.35	120.73	136.12	290.63	263.30	237.22	129.49
b Cost Recovery Ratio = (TR*/NC)	82.62	72.33	58.21	48.99	31.94	54.78	54.49	32.44	34.73	38.28	47.42
c Return on capital invested ((NM+Int)/CI)											
d Return on capital employed ((NM+Int)/CE)											

Table 2: Fiscal Aspects in relation to the State Govt.

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
STOCKS											
1 Capital Contribution from the State Govt.	22.86	19.79									
2 State Debt Outstanding											
3 State Investment in SRTUs (1+2)	*22.86*	*19.79*									
FLOWS											
4 Increase in State Investment		-3.07									
5 Grants/Subsidies received from Govt.											
6 Total receipts by SRTU (4+5) from State		*-3.07*									
7 Interest received by state govt	0.10	0.00	0.10	0.10							
8 Taxes received by state govt (only NPT)	0.10	0.10	0.41	0.41	0.16	0.11	0.19	0.17			
9 Total Receipts by the state (7+8) from STRU	*0.20*	*0.10*	*0.51*	*0.51*	*0.16*	*0.11*	*0.19*	*0.17*			
10 Net Flow from State to SRTU (6-9)		*-3.17*									
11 Burden on SRTUs due to Concessions	0.13	0.14							0.02	0.02	0.02
12 Passenger Tax (PT)											

Table 3: Physical Parameters	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
1 Average No. Buses held	134	150	150	153	150	150	149	152	138	115	105
2 Average No. of Buses on Road	107	120	120	122	120	120	119	114	106	88	78
3 Fleet Utilisation (%)	79.90	80.00	80.00	79.70	80.00	80.00	79.90	75.00	76.80	76.50	74.30
4 Employment	1062	1071	1114	1114	1114	1114	1148	1239	994	965	935
5 Effc. Kms. Operated (Cr.)	0.33	0.34	0.32	0.32	0.32	0.38	0.38	0.36	0.31	0.26	0.26
6 Km/Bus on road/Day	78.40	78.40	73.10	73.10	73.10	86.80	87.50	85.30	80.90	80.90	91.30
7 Bus Staff Ratio per bus on road	9.93	8.93	9.28	9.13	9.28	9.57	9.65	10.87	9.38	10.96	11.99
8 Occupancy Ratio (%)	53.28	52.36	51.26	50.89	50.98	51.10	43.62	36.78	32.59	30.91	42.56
9 Fuel Consumption KMPL (HSD)	3.26	3.28	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
10 Average Age of Fleet	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00

					TAMIL NADU								
					Tamil Nadu State Road Transport Companies								
Table 1: Financial Position of SRTU		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
	No. of reporting STUs							20	20	21	19	18	18
	STOCKS												
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***							***347.46***	***561.44***	***677.66***	***835.28***	***835.27***	***839.34***
a.	Capital contrinution by state							347.46	561.44	677.66	835.28	835.27	839.34
b.	Capital contrinution by centre												
II.	***Total Outstanding Loans (a+b+c+d+e+f+g)***							***712.56***	***756.81***	***917.92***	***891.44***	***908.18***	***921.22***
a.	State loans												
b.	Debentures												
c.	Loans from IDBI								33.93	31.31	20.27	21.07	21.07
d.	Loans fron commercial banks							148.39	207.14	272.05	142.43	129.64	188.51
e.	Loans from LIC							94.73	32.05	36.22	134.73	77.81	87.57
f.	Public Deposits							1.12			0.01		
g.	Others							468.32	483.69	578.34	594.00	679.66	624.07
	Total External Capital (I+II)							***1060.02***	***1318.25***	***1595.58***	***1726.72***	***1743.45***	***1760.56***
B.	**INTERNAL CAPITAL**												
I	Reserves							24.83	27.76	29.94	31.43	30.28	31.27
II	Accumulated profit/losses							-1000.87	-1465.58	-1790.72	-2026.22	-2129.87	-2134.38
	Total Internal Capital (I+II)							***-976.04***	***-1437.8***	***-1760.8***	***-1994.8***	***-2099.6***	***-2103.1***
C.	***CAPITAL INVESTED (A+B)***							***83.98***	***-119.57***	***-165.20***	***-268.07***	***-356.14***	***-342.55***
D.	**CAPITAL EMPLOYED**												
I	*Net fixed assets (NFA) of which*							462.44	430.17	389.97	365.42	278.15	269.19
a	Net value of buses							385.27	348.16	307.93	285.12	202.71	191.30
b	Net value of other assets							77.17	82.01	82.04	80.30	75.44	77.89
II	Current Assets							207.27	169.96	218.56	237.06	328.69	382.11
III	Current Liabilities							627.35	738.26	808.21	903.17	988.21	1013.39
	Capital Employed (CE)(I+II-III)							***42.36***	***-138.13***	***-199.68***	***-300.69***	***-381.37***	***-362.09***
E.	***Stock Net Worth (NFA-TOL)***							***-250.12***	***-326.64***	***-527.95***	***-526.02***	***-630.03***	***-652.03***
F.	***Total Net Worth (CE-TOL)***							***-670.20***	***-894.94***	***-1117.6***	***-1192.1***	***-1289.6***	***-1283.3***
	CHANGES IN STOCKS												
	Change in reserves								2.93	2.18	1.49	-1.15	0.99
	Change in accumulated profit/losses								-464.71	-325.14	-235.50	-103.65	-4.51
	Change in capital invested								-203.55	-45.63	-102.87	-88.07	13.59
	Change in capital employed								-180.49	-61.55	-101.01	-80.68	19.28
	Change in Net worth								-76.52	-201.31	1.93	-104.01	-22.00

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)							1942.90	2061.29	2405.04	2705.02	2779.59	3081.49
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT							1942.82	2061.29	2404.37	2705.02	2779.59	3081.49
c.	Non-traffic revenue (NTR)							92.78	81.70	89.86	111.97	141.68	149.13
d.	***Total Revenue (TTR) (a+c)***							***2035.68***	***2142.99***	***2494.90***	***2816.99***	***2921.27***	***3230.62***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***							***2035.60***	***2142.99***	***2494.23***	***2816.99***	***2921.27***	***3230.62***
f.	Burden due to concession in fare	27.18	31.17	13.77		32.34	28.36	94.71	112.08	159.09	230.23	243.19	356.35
B.	**COST**												
a.	***Personnel Cost***							***876.09***	***1097.64***	***1255.08***	***1312.64***	***1264.45***	***1359.15***
b.	***Material Cost***							***835.05***	***854.10***	***989.30***	***1150.62***	***1187.64***	***1287.97***
	Direct Cost (DC)(a+b)							1711.14	1951.74	2244.38	2463.26	2452.09	2647.12
c.	***Depreciation (I+II) of which***							***167.34***	***196.95***	***168.89***	***153.08***	***128.24***	***106.24***
I.	Depreciation on buses							161.38	190.73	163.52	147.74	122.96	100.96
II.	Depreciation on other assets							5.96	6.22	5.37	5.34	5.28	5.28
d.	***Interest***							***146.85***	***129.14***	***135.44***	***145.05***	***154.61***	***132.21***
I	Interest to State Govt.							15.86	8.93	5.82	17.78	7.95	9.32
II	Interest on Borrowings							130.99	120.21	124.95	126.96	146.66	122.89
	Net Cost (NC) =TC-PT							***2252.64***	***2527.19***	***2809.17***	***3039.44***	***3018.88***	***3231.46***
e.	***Taxes (I+II) of which***							***137.47***	***137.64***	***140.96***	***142.42***	***143.82***	***149.94***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***							***137.39***	***137.64***	***140.29***	***142.42***	***143.82***	***149.94***
(i)	Motor Vehicle Tax							132.95	133.76	137.46	137.85	136.69	136.12
(ii)	Special Road Tax/Other taxes on buses							2.17	1.25	0.45	2.43	1.23	1.55
(iii)	Misc. & other Taxes							2.27	2.63	2.38	2.14	5.90	12.27
II.	***Passenger Tax (PT)***							***0.08***		***0.67***			
f.	***Misc. and other costs***							***89.92***	***111.72***	***120.17***	***135.63***	***140.12***	***195.95***
	Total Cost (TC) (a+b+c+d+e+f)							***2252.72***	***2527.19***	***2809.84***	***3039.44***	***3018.88***	***3231.46***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)							231.68	109.55	160.66	241.76	327.50	434.37
b	Gross Margin (GM) = (TTR* - DC)							324.46	191.25	250.52	353.73	469.18	583.50
c	Net Margin (NM) = TTR -TC =TTR*-NC							-217.04	-384.20	-314.94	-222.45	-97.61	-0.84
d	Profit after interest =Profit before tax (NM+NPT)							-79.65	-246.56	-174.65	-80.03	46.21	149.10
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)							88.08	94.69	93.35	91.06	88.22	85.90
b	Cost Recovery Ratio = (TR*/NC)							86.25	81.56	85.59	89.00	92.07	95.36
c	Return on capital invested ((NM+Int)/CI)							-83.58					
d	Return on capital employed ((NM+Int)/CE)							-165.70					

Table 2: Fiscal Aspects in relation to the State	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
STOCKS												
1 Capital Contribution from the State Govt.						246.53	347.46	561.44	677.66	835.28	835.28	839.34
2 State Debt Outstanding												
3 State Investment in SRTUs (1+2)						*246.53*	*347.46*	*561.44*	*677.66*	*835.28*	*835.28*	*839.34*
FLOWS												
4 Increase in State Investment							100.93	213.98	116.22	157.62	0.00	4.06
5 Grants/Subsidies received from Govt.						19.48	48.12	84.85	109.83	165.03	88.46	83.53
6 Total receipts by SRTU (4+5) from State							*149.05*	*298.83*	*226.05*	*322.65*	*88.46*	*87.59*
7 Interest received by state govt							15.86	8.93	5.82	17.78	7.95	9.32
8 Taxes received by state govt (only NPT)							137.39	137.64	140.29	142.42	143.82	149.94
9 Total Receipts by the state (7+8) from STRU							*153.25*	*146.57*	*146.11*	*160.20*	*151.77*	*159.26*
10 Burden on SRTUs due to Concessions	27.18	31.17	13.77		32.34	28.36	94.71	112.08	159.09	230.23	243.19	356.35
11 Effective Receipts by the state (9+10) from STRU							*247.96*	*258.65*	*305.20*	*390.43*	*394.96*	*515.61*
12 Net Flow from State to SRTU (6-11)							*-98.91*	*40.18*	*-79.15*	*-67.78*	*-306.50*	*-428.02*
13 Passenger Tax (PT)							0.08		0.67			

Table 3: Physical Parameters	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1 Average No. Buses held	13489	14587	15228	15423	15726	15879	16326	16359	16705	16691	16492	16396
2 Average No. of Buses on Road	12489	13457	13901	14629	14491	14607	14976	15088	15384	15377	15000	15092
3 Fleet Utilisation (%)	92.58	92.30	91.30	92.50	92.10	92.00	91.70	92.23	92.10	92.10	91.00	92.00
4 Employment							121565	123585	122045	120043	116655	119367
5 Effc. Kms. Operated (Cr.)	172.02	188.18	192.85	199.70	212.87	213.06	217.43	225.41	229.61	229.02	223.59	228.92
6 Km/Bus on road/Day	399.93	408.00	410.25	400.73	421.60	417.25	415.00	409.31	408.91	408.05	408.38	415.60
7 Bus Staff Ratio per bus on road	6.6-10.3	7.3-10.1	6.7-10.1	7.1-8.7	7.2-8.1	7.4-10.7	7.0-10.3	6.8-10.6	7.0-10.1	7.1-9.0	7.2-9.4	7.55
8 Occupancy Ratio (%)	7.3-139.2	4.3-141.1	0.1-142.3	3.2-135.6	1.7-127.4	2.7-135.6	7.3-130.8	3.2-130.7	8.0-133.7	69.9-86.8	67.1-84.3	71.22
9 Fuel Consumption KMPL (HSD)	4.10	4.10	4.20	4.20	4.20	4.20	4.20	3.98	4.25	4.58	4.39	
10 Average Age of Fleet	3.90	3.90	4.00	4.10	3.90	4.40	3.50	3.59	3.99	3.95	5.35	

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1 Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00
2 Subsidies/Reimbursement from the state (S)	127.89	134.83	141.78	148.73	155.67	162.62
3 Total receipts by the SRTU from the State (R_{srtu}) (1+2)	127.89	134.83	141.78	148.73	155.67	162.62
4 Interest received by the State (Int.)	7.90	7.22	6.55	5.87	5.19	4.52
5 Non Passenger Taxes received by the State (NPT)	152.64	155.02	157.41	159.79	162.17	164.56
6 Total Receipts by the State from the STRU (R_{state})(4+5)	160.54	162.25	163.95	165.66	167.37	169.07
7 Burden on the SRTU due to Concessions (B)	427.19	477.84	528.49	579.13	629.78	680.43
8 Effective Receipts by the State (ER_{state})(6+7)	587.73	640.08	692.44	744.79	797.15	849.5
9 Net Flow from the State (NF_{state}) (3-8)	-459.84	-505.25	-550.66	-596.07	-641.48	-686.886

				TRIPURA								
		Tripura State Road Transport Corporation (TRPTC)										
Table 1: Financial Position of SRTU												
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
A.	**EXTERNAL CAPITAL**											
I.	***Total Capital Contribution (TCC) (a+b)***	***22.72***	***25.76***	***29.06***	***31.98***	***37.26***	***42.45***	***48.46***	***54.67***	***62.08***	***73.14***	***83.68***
a.	Capital contrinution by state	19.08	22.12	25.42	28.34	33.62	38.64	44.82	51.03	58.44	69.50	80.04
b.	Capital contrinution by centre	3.64	3.64	3.64	3.64	3.64	3.81	3.64	3.64	3.64	3.64	3.64
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***2.91***	***1.92***	***1.61***	***1.61***	***1.61***	***1.61***	***1.11***	***1.19***	***0.69***	***0.00***	***3.24***
a.	State loans											
b.	Debentures											
c.	Loans from IDBI	2.91	1.92	1.61	1.61	1.61	1.61	1.11	1.19	0.69		
d.	Loans fron commercial banks											
e.	Loans from LIC											
f.	Public Deposits											
g.	Others											3.24
	Total External Capital (I+II)	***25.63***	***27.68***	***30.67***	***33.59***	***38.87***	***44.06***	***49.57***	***55.86***	***62.77***	***73.14***	***86.92***
B.	**INTERNAL CAPITAL**											
I	Reserves	5.15	6.50	7.40	8.15	9.67	10.50	11.25	6.00	7.50	7.50	8.00
II	Accumulated profit/losses	-27.94	-31.74	-35.09	-38.48	-43.22	-47.89	-49.25	-79.00	-90.56	-99.50	-113.13
	Total Internal Capital (I+II)	***-22.79***	***-25.24***	***-27.69***	***-30.33***	***-33.55***	***-37.39***	***-38.00***	***-73.00***	***-83.06***	***-92.00***	***-105.13***
C.	***CAPITAL INVESTED (CI) (A+B)***	***2.84***	***2.44***	***2.98***	***3.26***	***5.32***	***6.67***	***11.57***	***-17.14***	***-20.29***	***-18.86***	***-18.21***
D.	**CAPITAL EMPLOYED (CE)**											
I	*Net fixed assets (NFA) of which*	6.01	6.20	5.73	5.96	7.21	7.87	7.20	8.12	9.26	9.65	11.59
a	Net value of buses	3.56	3.86	3.50	3.68	5.00	5.66	5.25	5.50	6.70	7.00	8.70
b	Net value of other assets	2.45	2.34	2.23	2.28	2.21	2.21	1.95	2.62	2.56	2.65	2.89
II	Current Assets	2.70	2.59	2.45	2.10	2.56	1.31	0.72	2.20	2.89	3.49	7.20
III	Current Liabilities	5.90	6.35	5.20	4.80	4.45	6.50	5.65	27.48	32.44	32.00	37.00
	Capital Employed (CE)(I+II-III)	***2.81***	***2.44***	***2.98***	***3.26***	***5.32***	***2.68***	***2.27***	***-17.16***	***-20.29***	***-18.86***	***-18.21***
E.	***Stock Net Worth (NFA-TOL)***	***3.10***	***4.28***	***4.12***	***4.35***	***5.60***	***6.26***	***6.09***	***6.93***	***8.57***	***9.65***	***8.35***
F.	***Total Net Worth (CE-TOL)***	***-0.10***	***0.52***	***1.37***	***1.65***	***3.71***	***1.07***	***1.16***	***-18.35***	***-20.98***	***-18.86***	***-21.45***
	CHANGES IN STOCKS											
	Change in reserves		1.35	0.90	0.75	1.52	0.83	0.75	-5.25	1.50	0.00	0.50
	Change in accumulated profit/losses		-3.80	-3.35	-3.39	-4.74	-4.67	-1.36	-29.75	-11.56	-8.94	-13.63
	Change in capital invested		-0.40	0.54	0.28	2.06	1.35	4.90	-28.71	-3.15	1.43	0.65
	Change in capital employed		-0.37	0.54	0.28	2.06	-2.64	-0.41	-19.43	-3.13	1.43	0.65
	Change in Net worth		1.18	-0.16	0.23	1.25	0.66	-0.17	0.84	1.64	1.08	-1.30

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
A.	**REVENUE**											
a.	Traffic revenue (TR)	1.72	1.40	1.25	1.23	1.10	1.58	1.52	1.59	2.10	1.98	2.87
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	1.72	1.40	1.25	1.23	1.10	1.58	1.52	1.59	2.10	1.98	2.87
c.	Non-traffic revenue (NTR)	0.04	0.10	0.06	0.35	0.01	0.10	0.12	0.01	0.01	0.26	0.36
d.	***Total Revenue (TTR) (a+c)***	***1.76***	***1.50***	***1.31***	***1.58***	***1.11***	***1.68***	***1.64***	***1.60***	***2.11***	***2.24***	***3.23***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***1.76***	***1.50***	***1.31***	***1.58***	***1.11***	***1.68***	***1.64***	***1.60***	***2.11***	***2.24***	***3.23***
f.	Burden due to concession in fare					0.01	0.01	0.01	0.02	0.01	0.01	0.01
B.	**COST**											
a.	***Personnel Cost***	***2.65***	***3.23***	***2.90***	***3.10***	***3.99***	***4.38***	***4.96***	***5.49***	***6.53***	***8.20***	***8.89***
b.	***Material Cost***	***1.21***	***0.90***	***0.76***	***0.68***	***0.66***	***0.86***	***1.02***	***0.96***	***1.11***	***1.39***	***1.95***
	Direct Cost (DC)(a+b)	3.86	4.13	3.66	3.78	4.65	5.24	5.98	6.45	7.64	9.59	10.84
c.	***Depreciation (I+II) of which***	***0.31***	***0.39***	***0.50***	***0.50***	***0.45***	***0.43***	***0.68***	***0.50***	***0.42***	***0.49***	***0.54***
I.	Depreciation on buses	0.26	0.32	0.38	0.50	0.45	0.43	0.68	0.50	0.42	0.47	0.51
II.	Depreciation on other assets	0.05	0.07	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.03
d.	***Interest***	***0.18***	***0.19***						***2.51***	***2.80***		
I	Interest to State Govt.	0.00	0.00									
II	Interest on Borrowings	0.00	0.00						2.51	2.80		
	Net Cost (NC) =TC-PT	***4.62***	***4.85***	***4.33***	***4.50***	***5.36***	***5.88***	***6.97***	***9.80***	***11.07***	***10.50***	***11.94***
e.	***Taxes (I+II) of which***	***0.003***	***0.004***	***0.020***	***0.020***	***0.040***	***0.020***	***0.020***	***0.040***	***0.030***	***0.060***	***0.050***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***0.003***	***0.004***	***0.020***	***0.020***	***0.040***	***0.020***	***0.020***	***0.040***	***0.030***	***0.060***	***0.050***
(i)	Motor Vehicle Tax	0.003	0.004	0.020	0.020	0.040	0.020	0.020	0.040	0.030	0.060	0.050
(ii)	Special Road Tax/Other taxes on buses											
(iii)	Misc. & other Taxes											
II.	***Passenger Tax (PT)***											
f.	***Misc. and other costs***	***0.27***	***0.14***	***0.15***	***0.20***	***0.22***	***0.19***	***0.29***	***0.30***	***0.18***	***0.36***	***0.51***
	Total Cost (TC) (a+b+c+d+e+f)	***4.62***	***4.85***	***4.33***	***4.50***	***5.36***	***5.88***	***6.97***	***9.80***	***11.07***	***10.50***	***11.94***
C.	**MARGINS**											
a	Operating Surplus (TR* - DC)	-2.14	-2.73	-2.41	-2.55	-3.55	-3.66	-4.46	-4.86	-5.54	-7.61	-7.97
b	Gross Margin (GM) = (TTR* - DC)	-2.10	-2.63	-2.35	-2.20	-3.54	-3.56	-4.34	-4.85	-5.53	-7.35	-7.61
c	Net Margin (NM) = TTR -TC =TTR*-NC	-2.86	-3.35	-3.02	-2.92	-4.25	-4.20	-5.33	-8.20	-8.96	-8.26	-8.71
d	Profit after interest =Profit before tax (NM+NPT)	-2.86	-3.35	-3.00	-2.90	-4.21	-4.18	-5.31	-8.16	-8.93	-8.20	-8.66
D.	**RATIOS**											
a	Operating Ratio = (DC/TR*)	224.42	295.00	292.80	307.32	422.73	331.65	393.42	405.66	363.81	484.34	377.70
b	Cost Recovery Ratio = (TR*/NC)	37.21	28.84	28.87	27.33	20.52	26.87	21.81	16.22	18.97	18.86	24.04
c	Return on capital invested ((NM+Int)/CI)	-94.47	-129.67	-101.34	-89.57	-79.89	-62.97	-46.07				
d	Return on capital employed ((NM+Int)/CE)	-95.48	-129.67	-101.34	-89.57	-79.89	-156.72	-234.80				

Table 2: Fiscal Aspects in relation to the State Govt.											
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1	Capital Contribution from the State Govt.	19.08	22.12	25.42	28.34	33.62	38.64	44.82	51.03	58.44	69.50	80.04
2	State Debt Outstanding											
3	***State Investment in SRTUs (1+2)***	***19.08***	***22.12***	***25.42***	***28.34***	***33.62***	***38.64***	***44.82***	***51.03***	***58.44***	***69.50***	***80.04***
	FLOWS											
4	Increase in State Investment		3.04	3.30	2.92	5.28	5.02	6.18	6.21	7.41	11.06	10.54
5	Grants/Subsidies received from Govt.											
6	***Total receipts by SRTU (4+5) from State***		***3.04***	***3.30***	***2.92***	***5.28***	***5.02***	***6.18***	***6.21***	***7.41***	***11.06***	***10.54***
7	Interest received by state govt											
8	Taxes received by state govt (only NPT)	0.003	0.004	0.020	0.020	0.040	0.020	0.020	0.040	0.030	0.060	0.050
9	***Total Receipts by the state (7+8) from STRU***	***0.003***	***0.004***	***0.020***	***0.020***	***0.040***	***0.020***	***0.020***	***0.040***	***0.030***	***0.060***	***0.050***
10	Burden on SRTUs due to Concessions					0.01	0.01	0.01	0.02	0.01	0.01	0.01
11	***Effective Receipts by the state (9+10) from STRU***	***0.003***	***0.004***	***0.020***	***0.020***	***0.050***	***0.030***	***0.030***	***0.055***	***0.035***	***0.066***	***0.060***
12	***Net Flow from State to SRTU (6-11)***		***3.04***	***3.28***	***2.90***	***5.23***	***4.99***	***6.15***	***6.16***	***7.38***	***10.99***	***10.48***
13	Passenger Tax (PT)											

Table 3: Physical Parameters	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**
1 Average No. Buses held	124	125	108	91	87	79	84	94	98	77	84
2 Average No. of Buses on Road	66	50	42	33	32	41	37	39	46	38	47
3 Fleet Utilisation (%)	40.00	40.00	33.10	36.26	36.78	51.90	44.00	41.50	46.90	49.40	56.00
4 Employment	895	869	832	820	800	795	800	759	812	800	779
5 Effc. Kms. Operated (Cr.)				0.19	0.17	0.22	0.19	0.21	0.31	0.20	0.24
6 Km/Bus on road/Day	136.00	135.90	136.00		82.40	143.70	137.90	145.30	131.60	143.90	137.30
7 Bus Staff Ratio per bus on road	14.48	17.27	20.05	24.85	25.01	19.39	21.62	19.46	17.65	21.05	16.57
8 Occupancy Ratio (%)	64.00	65.61	67.21	64.11	61.87	61.06	62.28	57.96	60.08	68.09	77.28
9 Fuel Consumption KMPL (HSD)	3.35	3.41	3.47	3.54	3.61	3.45	3.58	3.68	3.67	3.53	3.45
10 Average Age of Fleet	8.33	8.33	8.33	6.67	5.00	5.00	5.75	6.25	7.25	6.40	7.30

Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10							
	Tripura	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
1	Increase in State Investment (ΔI)	14.56	15.80	17.05	18.29	19.53	20.77
2	Subsidies/Reimbursement from the state (S)						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	14.56	15.80	17.05	18.29	19.53	20.77
4	Interest received by the State (Int.)						
5	Non Passenger Taxes received by the State (NPT)	0.078	0.085	0.092	0.100	0.107	0.115
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.078	0.085	0.092	0.100	0.107	0.115
7	Burden on the SRTU due to Concessions (B)	0.006	0.005	0.005	0.004	0.003	0.003
8	Effective Receipts by the State (ER_{state})(6+7)	0.083	0.090	0.097	0.104	0.111	0.117
9	Net Flow from the State (NF_{state}) (3-8)	14.48	15.71	16.95	18.18	19.42	20.65

Table 2: Fiscal Aspects in relation to the State Govt.													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1	Capital Contribution from the State Govt.	206.78	206.78	244.26	244.26	244.76	245.44	246.58	252.32	252.11	252.11	252.11	252.11	
2	State Debt Outstanding	4.46	4.36	4.26	4.15	15.45	10.54	17.61	11.71	9.96	11.80	10.65	9.65	
3	***State Investment in SRTUs (1+2)***	***211.24***	***211.14***	***248.52***	***248.41***	***260.21***	***255.98***	***264.19***	***264.03***	***262.07***	***263.91***	***262.76***	***261.76***	
	FLOWS													
4	Increase in State Investment		-0.10	37.38	-0.11	11.80	-4.23	8.21	-0.16	-1.96	1.84	-1.15	-1.00	
5	Grants/Subsidies received from Govt.													
6	***Total receipts by SRTU (4+5) from State***		***-0.10***	***37.38***	***-0.11***	***11.80***	***-4.23***	***8.21***	***-0.16***	***-1.96***	***1.84***	***-1.15***	***-1.00***	
7	Interest received by state govt	6.62	7.30	0.00	0.01	0.02	0.02	0.02	0.02	0.17	0.18	0.18	0.18	
8	Taxes received by state govt (only NPT)	5.71	5.91	5.79	5.70	5.54	5.25	5.62	5.63	7.01	7.43	7.26	7.47	
9	***Total Receipts by the state (7+8) from STRU***	***12.33***	***13.21***	***5.79***	***5.71***	***5.56***	***5.27***	***5.64***	***5.65***	***7.18***	***7.61***	***7.44***	***7.65***	
10	Burden on SRTUs due to Concessions	0.03	0.03	0.03	0.03	5.92	5.93	0.55	0.73	0.96	1.05	1.22	2.03	
11	***Effective Receipts by the state (9+10) from STRU***	***12.36***	***13.24***	***5.82***	***5.74***	***11.48***	***11.20***	***6.19***	***6.38***	***8.14***	***8.66***	***8.66***	***9.68***	
12	***Net Flow from State to SRTU (6-11)***		***-13.34***	***31.56***	***-5.74***	***0.32***	***-11.20***	***2.02***	***-6.38***	***-8.14***	***-8.66***	***-8.66***	***-9.68***	
13	Passenger Tax (PT)	***71.16***	***71.00***	***72.23***	***73.48***	***81.73***	***75.13***	***76.26***	***93.15***	***114.82***	***129.37***	***129.19***	***142.97***	**153.26**
	Paasenger Tax atually paid	63.57	68.90	66.03	50.21	50.87	44.04	28.01	56.41	82.04	73.00	24.00	39.40	43.36
Table 3: Physical Parameters		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**	**2003-04**
1	Average No. Buses held	8083	7956	8023	8230	8241	8067	8198	7841	7898	7801	7194	7235	
2	Average No. of Buses on Road	7161	7052	7112	7201	7040	6929	7278	7159	7171	7001	6468	6602	
3	Fleet Utilisation (%)	88.60	88.60	88.60	87.50	85.40	85.90	88.80	91.30	90.80	89.70	89.90	91.30	
4	Employment	57693	57042	56864	55685	54668	53539	52537	50552	48792	47369	45960	44508	
5	Effc. Kms. Operated (Cr.)	62.88	61.95	64.55	63.44	63.56	60.72	65.28	69.88	71.02	68.95	67.62	69.30	
6	Km/Bus on road/Day	240.60	240.70	248.70	241.40	247.40	240.10	245.70	267.40	270.60	269.80	286.40	287.60	
7	Bus Staff Ratio per bus on road	8.06	8.09	8.00	7.73	7.77	7.73	7.22	7.06	6.80	6.77	7.11	6.74	
8	Occupancy Ratio (%)	72.31	68.22	69.01	65.00	69.55	67.17	63.74	64.66	60.07	58.51	57.73	59.10	
9	Fuel Consumption KMPL (HSD)	4.52	4.50	4.56	4.51	4.51	4.53	4.56	4.60	4.69	4.72	4.82	4.79	
10	Average Age of Fleet	5.38	5.22	5.51	5.78	5.88	6.47	6.04	6.04	6.41	5.85	6.36	6.05	
Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10														
		2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**							
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00							
2	Subsidies/Reimbursement from the state (S)													
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	0.00	0.00	0.00	0.00	0.00	0.00							
4	Interest received by the State (Int.)	0.29	0.33	0.36	0.40	0.44	0.48							
5	Non Passenger Taxes received by the State (NPT)	8.61	9.02	9.44	9.86	10.27	10.69							
6	Total Receipts by the State from the STRU (R_{state})(4+5)	8.90	9.35	9.81	10.26	10.71	11.16							
7	Burden on the SRTU due to Concessions (B)	2.24	2.50	2.75	3.01	3.27	3.52							
8	Effective Receipts by the State (ER_{state})(6+7)	11.14	11.85	12.56	13.27	13.98	14.69							
9	Net Flow from the State (NF_{state}) (3-8)	-11.14	-11.85	-12.56	-13.27	-13.98	-14.69							

		WEST BENGAL											
		Kolkata State Transport Corporation (KSTC)											
Table 1: Financial Position of SRTU													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
A.	**EXTERNAL CAPITAL**												
I.	***Total Capital Contribution (TCC) (a+b)***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***	***9.62***
a.	Capital contrinution by state	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62
b.	Capital contrinution by centre	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
II.	***Total Outstanding Loans (TOL)(a+b+c+d+e+f+g)***	***158.04***	***159.22***	***160.04***	***164.79***	***198.63***	***208.51***	***215.85***	***222.13***	***235.82***	***252.52***	***256.78***	***238.79***
a.	State loans												
b.	Debentures												
c.	Loans from IDBI	4.44	2.84	2.79	1.50	0.91							
d.	Loans fron commercial banks	4.00	2.78	6.40	7.52	19.39	19.12	13.77	13.15	12.06	7.52	3.66	238.79
e.	Loans from LIC												
f.	Public Deposits												
g.	Others	149.60	153.60	150.85	155.77	178.33	189.39	202.08	208.98	223.76	245.00	253.12	
	Total External Capital (I+II)	***167.66***	***168.84***	***169.66***	***174.41***	***208.25***	***218.13***	***225.47***	***231.75***	***245.44***	***262.14***	***266.40***	***248.41***
B.	**INTERNAL CAPITAL**												
I	Reserves	75.92	87.33	106.92	116.48	124.08	125.04	140.85	153.60	150.23	145.00	145.00	142.78
II	Accumulated profit/losses	-128.53	-141.39	-157.27	-164.47	-180.24	-186.29	-204.88	-218.56	-219.99	-221.84	-225.12	-337.10
	Total Internal Capital (I+II)	***-52.61***	***-54.06***	***-50.35***	***-47.99***	***-56.16***	***-61.25***	***-64.03***	***-64.96***	***-69.76***	***-76.84***	***-80.12***	***-194.32***
C.	***CAPITAL INVESTED (CI) (A+B)***	***115.05***	***114.78***	***119.31***	***126.42***	***152.09***	***156.88***	***161.44***	***166.79***	***175.68***	***185.30***	***186.28***	***54.09***
D.	**CAPITAL EMPLOYED**												
I	*Net fixed assets (NFA) of which*	124.47	128.65	134.17	143.67	153.72	159.76	161.65	172.29	180.77	186.00	189.16	212.06
a	Net value of buses	68.73	98.06	102.58	111.90	121.84	124.51	126.40	139.09	145.85	149.55	152.69	171.01
b	Net value of other assets	55.74	30.59	31.59	31.77	31.88	35.25	35.25	33.20	34.92	36.45	36.47	41.05
II	Current Assets	14.35	19.29	19.70	19.66	16.46	13.69	17.79	14.66	23.84	28.59	28.12	50.42
III	Current Liabilities	27.48	36.74	37.12	40.50	21.47	20.36	21.86	25.79	35.40	35.77	37.00	223.23
	Capital Employed (CE)(I+II-III)	***111.34***	***111.20***	***116.75***	***122.83***	***148.71***	***153.09***	***157.58***	***161.16***	***169.21***	***178.82***	***180.28***	***39.25***
E.	***Stock Net Worth (NFA-TOL)***	***-33.57***	***-30.57***	***-25.87***	***-21.12***	***-44.91***	***-48.75***	***-54.20***	***-49.84***	***-55.05***	***-66.52***	***-67.62***	***-26.73***
F.	***Total Net Worth (CE-TOL)***	***-46.70***	***-48.02***	***-43.29***	***-41.96***	***-49.92***	***-55.42***	***-58.27***	***-60.97***	***-66.61***	***-73.70***	***-76.50***	***-199.54***
	CHANGES IN STOCKS												
	Change in reserves		11.41	19.59	9.56	7.60	0.96	15.81	12.75	-3.37	-5.23	0.00	-2.22
	Change in accumulated profit/losses		-12.86	-15.88	-7.20	-15.77	-6.05	-18.59	-13.68	-1.43	-1.85	-3.28	-111.98
	Change in capital invested		-0.27	4.53	7.11	25.67	4.79	4.56	5.35	8.89	9.62	0.98	-132.19
	Change in capital employed		-0.14	5.55	6.08	25.88	4.38	4.49	3.58	8.05	9.61	1.46	-141.03
	Change in Net worth		3.00	4.70	4.75	-23.79	-3.84	-5.45	4.36	-5.21	-11.47	-1.10	40.89

	FLOWS	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A.	**REVENUE**												
a.	Traffic revenue (TR)	31.72	37.26	38.34	41.60	41.66	44.29	45.40	44.30	49.45	53.07	58.20	61.62
b.	Traffic Revenue adjusted for PT (TR*)=TR-PT	31.72	37.26	38.34	41.60	41.66	44.29	45.40	44.30	49.45	53.07	58.20	61.62
c.	Non-traffic revenue (NTR)	1.06	0.84	0.51	1.22	1.50	1.27	1.41	1.41	1.84	2.15	4.50	3.21
d.	***Total Revenue (TTR) (a+c)***	***32.78***	***38.10***	***38.85***	***42.82***	***43.16***	***45.56***	***46.81***	***45.71***	***51.29***	***55.22***	***62.70***	***64.83***
e.	***Total Revenue adjusted for PT (TTR*) (b+c)***	***32.78***	***38.10***	***38.85***	***42.82***	***43.16***	***45.56***	***46.81***	***45.71***	***51.29***	***55.22***	***62.70***	***64.83***
f.	Burden due to concession in fare	0.83	0.86	1.00		0.29	0.34	0.38	0.31	0.31	0.55	0.61	0.35
B.	**COST**												
a.	***Personnel Cost***	***41.42***	***45.16***	***47.74***	***54.78***	***60.94***	***65.31***	***61.32***	***64.12***	***62.35***	***80.83***	***94.16***	***89.30***
b.	***Material Cost***	***21.65***	***23.51***	***25.22***	***29.25***	***28.95***	***32.63***	***33.63***	***37.93***	***38.95***	***39.28***	***40.33***	***44.34***
	Direct Cost (DC)(a+b)	63.07	68.67	72.96	84.03	89.89	97.94	94.95	102.05	101.30	120.11	134.49	133.64
c.	***Depreciation (I+II) of which***	***6.00***	***8.60***	***6.95***	***7.40***	***7.44***	***7.61***	***7.65***	***9.43***	***9.65***	*7.65*	*7.73*	***9.65***
I.	Depreciation on buses	5.40	7.94	6.42	6.85	6.89	7.04	7.08	9.43	9.65			
II.	Depreciation on other assets	0.60	0.66	0.53	0.55	0.55	0.57	0.57					
d.	***Interest***	***1.33***	***1.95***	***2.26***	***2.60***	***1.59***	***5.10***	***15.50***	***2.74***	***2.96***	***1.91***	***1.02***	***0.96***
I	Interest to State Govt.	1.33						0.00	0.00	0.00	0.00	0.00	0.00
II	Interest on Borrowings	0.00						15.50	2.74	2.96	1.91	1.02	0.96
	Net Cost (NC) =TC-PT	***73.94***	***82.86***	***86.01***	***97.97***	***101.76***	***113.51***	***121.69***	***118.64***	***119.76***	***132.46***	***151.28***	***153.56***
e.	***Taxes (I+II) of which***	***0.34***	***0.44***	***0.34***	***0.34***	***0.22***	***0.28***	***0.30***	***0.30***	***0.30***	***0.00***	***0.00***	***0.00***
I.	***Non-Passenger Taxes (NPT) (i+ii+iii)***	***0.34***	***0.44***	***0.34***	***0.34***	***0.22***	***0.28***	***0.30***	***0.30***	***0.30***	***0.00***	***0.00***	***0.00***
(i)	Motor Vehicle Tax	0.34	0.44	0.30	0.30	0.22	0.28	0.30	0.30	0.30	0.00	0.00	0.00
(ii)	Special Road Tax/Other taxes on buses	0.00	0.00	0.04	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Misc. & other Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II.	***Passenger Tax (PT)***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
f.	***Misc. and other costs***	***3.20***	***3.20***	***3.50***	***3.60***	***2.62***	***2.58***	***3.29***	***4.12***	***5.55***	***2.79***	***8.04***	***9.31***
	Total Cost (TC) (a+b+c+d+e+f)	***73.94***	***82.86***	***86.01***	***97.97***	***101.76***	***113.51***	***121.69***	***118.64***	***119.76***	***132.46***	***151.28***	***153.56***
C.	**MARGINS**												
a	Operating Surplus (TR* - DC)	-31.35	-31.41	-34.62	-42.43	-48.23	-53.65	-49.55	-57.75	-51.85	-67.04	-76.29	-72.02
b	Gross Margin (GM) = (TTR* - DC)	-30.29	-30.57	-34.11	-41.21	-46.73	-52.38	-48.14	-56.34	-50.01	-64.89	-71.79	-68.81
c	Net Margin (NM) = TTR -TC =TTR*-NC	-41.16	-44.76	-47.16	-55.15	-58.60	-67.95	-74.88	-72.93	-68.47	-77.24	-88.58	-88.73
d	Profit after interest =Profit before tax (NM+NPT)	-40.82	-44.32	-46.82	-54.81	-58.38	-67.67	-74.58	-72.63	-68.17	-77.24	-88.58	-88.73
D.	**RATIOS**												
a	Operating Ratio = (DC/TR*)	198.83	184.30	190.30	202.00	215.77	221.13	209.14	230.36	204.85	226.32	231.08	216.88
b	Cost Recovery Ratio = (TR*/NC)	42.90	44.97	44.58	42.46	40.94	39.02	37.31	37.34	41.29	40.06	38.47	40.13
c	Return on capital invested ((NM+Int)/CI)	-34.62	-37.30	-37.63	-41.57	-37.48	-40.06	-36.78	-42.08	-37.29	-40.65	-47.00	-162.27
d	Return on capital employed ((NM+Int)/CE)	-35.77	-38.50	-38.46	-42.78	-38.34	-41.05	-37.68	-43.55	-38.72	-42.13	-48.57	-223.62

Table 2: Fiscal Aspects in relation to the State Govt.													
	STOCKS	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Capital Contribution from the State Govt.	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62
2	State Debt Outstanding	7.90	7.96	8.00	8.24	8.00	10.34	10.00	15.50	5.25	4.00	3.85	3.85
3	***State Investment in SRTUs (1+2)***	***16.52***	***16.58***	***16.62***	***16.86***	***16.62***	***18.96***	***18.62***	***24.12***	***13.87***	***12.62***	***12.47***	***12.47***
	FLOWS												
4	Increase in State Investment		0.06	0.04	0.24	-0.24	2.34	-0.34	5.50	-10.25	-1.25	-0.15	0.00
5	Grants/Subsidies received from Govt.					51.76	61.89	55.61	59.25	70.34	86.04	87.52	87.13
6	***Total receipts by SRTU (4+5) from State***		***0.06***	***0.04***	***0.24***	***51.52***	***64.23***	***55.27***	***64.75***	***60.09***	***84.79***	***87.37***	***87.13***
7	Interest received by state govt	1.33						0.00	0.00	0.00	0.00	0.00	0.00
8	Taxes received by state govt (only NPT)	0.34	0.44	0.34	0.34	0.22	0.28	0.30	0.30	0.30	0.00	0.00	0.00
9	***Total Receipts by the state (7+8) from STRU***	***1.67***	***0.44***	***0.34***	***0.34***	***0.22***	***0.28***	***0.30***	***0.30***	***0.30***	***0.00***	***0.00***	***0.00***
10	Burden on SRTUs due to Concessions	0.83	0.86	1.00	0.82	0.29	0.34	0.38	0.31	0.31	0.55	0.61	0.35
11	***Effective Receipts by the state (9+10) from STRU***	***2.50***	***1.30***	***1.34***	***1.16***	***0.51***	***0.62***	***0.68***	***0.61***	***0.61***	***0.55***	***0.61***	***0.35***
12	***Net Flow from State to SRTU (6-11)***		***-1.24***	***-1.30***	***-0.92***	***51.01***	***63.61***	***54.59***	***64.14***	***59.48***	***84.24***	***86.76***	***86.78***
13	Passenger Tax (PT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Table 3: Physical Parameters		**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-00**	**2000-01**	**2001-02**	**2002-03**
1	Average No. Buses held	1187	1246	1228	1250	1207	1197	1109	1167	1204	1235	1265	1136
2	Average No. of Buses on Road	914	927	858	860	877	875	816	780	814	821	856	800
3	Fleet Utilisation (%)	77.00	74.40	69.90	68.80	72.70	73.10	73.60	66.80	67.60	66.50	67.70	70.400
4	Employment	13519	13127	12599	12095	11413	10805	10223	10364	9901	9413	8343	8374
5	Effc. Kms. Operated (Cr.)	5.85	6.09	5.74	5.99	6.15	6.18	5.79	5.50	5.84	5.78	6.49	6.56
6	Km/Bus on road/Day	175.50	180.00	183.00	190.80	192.10	193.40	194.50	193.10	196.00	193.00	207.90	224.50
7	Bus Staff Ratio per bus on road	13.44	13.48	13.75	14.06	12.61	11.73	11.90	12.50	11.53	10.77	9.75	9.85
8	Occupancy Ratio (%)	111.53	111.89	116.51	102.58	102.92	102.09	96.39	88.63	84.75	73.72	53.85	54.72
9	Fuel Consumption KMPL (HSD)	3.38	3.41	3.30	3.32	3.30	3.33	3.30	3.30	3.36	3.46	3.56	3.70
10	Average Age of Fleet		4.08	4.11		4.01	4.32	4.65	6.04	6.60	6.93	6.37	6.15
Table 4: Projections of Fiscal Impact of the SRTU on the State Budget from 2004-05 to 2009-10													
	West Bengal (KSTC)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**						
1	Increase in State Investment (ΔI)	0.00	0.00	0.00	0.00	0.00	0.00						
2	Subsidies/Reimbursement from the state (S)	107.50	114.88	122.25	129.62	137.00	144.37						
3	Total receipts by the SRTU from the State (R_{srtu}) (1+2)	107.50	114.88	122.25	129.62	137.00	144.37						
4	Interest received by the State (Int.)	0.00	0.00	0.00	0.00	0.00	0.00						
5	Non Passenger Taxes received by the State (NPT)	0.00	0.00	0.00	0.00	0.00	0.00						
6	Total Receipts by the State from the STRU (R_{state})(4+5)	0.00	0.00	0.00	0.00	0.00	0.00						
7	Burden on the SRTU due to Concessions (B)	0.55	0.57	0.60	0.63	0.66	0.69						
8	Effective Receipts by the State (ER_{state})(6+7)	0.55	0.57	0.60	0.63	0.66	0.69						
9	Net Flow from the State (NF_{state}) (3-8)	106.95	114.30	121.65	128.99	136.34	143.69						